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MRA ANNUAL BUSINESS SURVEY

1987 MEN'S STORE OPERATING EXPERIENCES

FINANCIAL AND OPERATIONS GROUP

MENSWEAR RETAILERS OF AMERICA

MRA NEWSLETTER SECTION II, JUNE 20, 1988

National Clothier Corporation Made Annual Business Survey Report Possible.

Full cost of the development of this 59th Annual Business Survey report by the Financial and Operations Group has been underwritten by the National Clothier Corporation division of MRA.

National Clothier Corporation's underwriting of the Annual Business Survey is an extension of its programs for providing men's wear merchants with services and supplies essential to their business development.

Copies of this Report are available from NCS at $35 per copy. Call Toll Free: 1-800-621-4118 (in Illinois: 1-800-972-3608).

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TERMS AND DEFINITIONS

COMMUNICATIONS: Includes all expenses for local and long distance telephone service, telegrams, telephone and other communication equipment rentals and all postage expenses.

CURRENT LIABILITIES: Total of all debts falling due within one year.

EQUIPMENT COSTS: Include the lease or rental of all equipment, fixtures, delivery vehicles, company automobiles, etc. and outside repair and maintenance contracts applicable to the leased or rented equipment as well as buildings and property.

GEOGRAPHIC AREAS: Based on United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis, and Kansas City Districts; the Southwest, the Dallas District; and the West, the San Francisco District. A map detailing these areas is found on page 57.

INCOME FROM LEASED DEPARTMENTS: Commissions paid to the firm by the operators of the leased departments.

INITIAL MARKUP PERCENT: The difference between the original retail price and the cost of goods purchased, divided by original retail price. Include transportation charges in cost of purchases, but do not subtract cash discounts. For example, cost of a typical purchase may have been $600 and original retail price $1,200, resulting in an initial markup of $600, or 50% of retail price.

Markdowns at retail are markdowns net of markdown cancellations.

MEDIAN FIGURE: The mid-point of a range of figures with one-half of the firms reporting figures above it and one-half below it.

METROPOLITAN SIZE: The population immediately surrounding the area in which a business is located. This can be a community, town, or city population.

NET OTHER INCOME AND EXPENSE: Items which are financial, rather than operating in nature. Items include carrying charges from customers' charge accounts, interest income, net income or expense realized from properties not used in the business, gain or loss on the sale of fixed assets, and interest expenses. Income from leased departments is not included.

NET PURCHASES AT COST: Gross purchases at cost plus transportation charges inward minus returns to and allowances from vendors. Do not subtract cash discounts earned.

NET WORKING CAPITAL: Excess of current assets over current liabilities.

NET WORKROOM COSTS: Workroom costs minus income from alterations.

NET WORTH: In both incorporated and unincorporated firms equals total assets minus total liabilities. (In partnerships include partner's loans as liabilities.)

NON-SELLING AREA: Includes workroom area, forward and reserve stockrooms which are not used for selling purposes and those aisles not considered as selling area, such as area surrounding stairway, elevators, and/or escalators.

OPERATING PROFIT: Gross margin, including leased department income, minus expenses.

PAYROLL: Payroll of owners and officers is the amount actually paid to them. Selling payroll includes commissions and "spiffs." Non-selling payroll does not include workroom payroll.

PENSIONS: Payments to retired employees or contributions to pension or profit-sharing plans.

PUBLICITY COST: Expenses incurred for all advertising of the firm including radio, television, and newspaper advertising, special promotion material, store catalogs and other expenses attributable to the creation of publicity.

RANGE OF COMMON EXPERIENCE: The experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest.

SELLING AREA: Is the total space occupied by selling departments, fitting rooms, forward stock areas which are contiguous to the department, salesmen and customer aisles, and bargain table space. Only selling space normally assigned to departments and utilized throughout the year is used in this calculation.

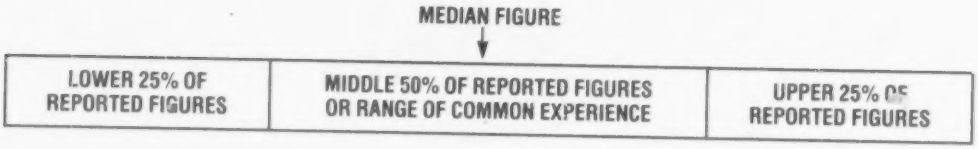
SERVICES PURCHASED: Consists exclusively of nonprofessional services rendered by outsiders such as cleaning, delivery, detective and alarm services, collection services by agencies and attorneys, data processing service bureaus, and credit card fees.

INVENTORY TURNOVER: Is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

SUPPLIES: Wrapping and packing supplies, cleaning supplies, stationery, electric and gas utilities, etc.; supplies used for employee welfare and employee gifts.

TOTAL NET SALES: Total of all net sales, including sales of leased department.

HOW TO USE THIS REPORT


MEDIAN FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

Enter your figures in the columns headed "Your Firm". Compare your firm's performance with the range of common experience and with the median firm. The range of common experience shows the experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest. The "Median Firm" figure represents the mid-point of the figures with one-half of the firms reporting figures above it and one-half below. Since each firm's operating experience is different, some of your figures may be out of line for perfectly valid reasons. Therefore, study your particular situation as to whether the reasons for such out-of-line figures are justified.

IMPORTANT ADVISORY NOTE

The information presented in this report is based on the results of a mail survey in which the reporting stores voluntarily participated. Thus, the sample may not necessarily reflect the entire industry.

Throughout this report the median firm's figures are reported rather than the *arithmetical average or mean*. Note particularly that with median figures, the component figures of an item may not necessarily add up to 100 percent. To avoid misinterpretation, it is important to realize that each of the medians in this Survey was independently selected from its own array of figures. Because of this variation in sampling, normally accepted mathematical relationships among related data do not always exist with respect to the medians. For example, the median gross margin percent minus the median total operating expenses percent does not necessarily equal the median operating profit percent.

IMPORTANT! The median figures presented throughout this report MAY NOT represent the operating figures and results you should strive for. You must establish their importance. When the report shows a median payroll of 20.8 percent of net sales for Group I volume firms, a lower payroll percentage would be better. Conversely, a higher gross margin would be better than the median figures reported for all groups. A special section of the report details for you the stellar performances in the men's wear retailing industry. Use these to help set the goals for your business.

MAKING THE MOST OF THE ANNUAL BUSINESS SURVEY

by

Gerald H. Smith—Retail Management Consultant

The Annual Business Survey is a valuable tool to be used in comparing your store's merchandising and operating results with those of others in the industry. It can serve as a guide to show where improvements can be made in your operation to increase profitability. In today's competitive retail climate, with major department stores, discounters and manufacturers' outlets carrying the same brands as the specialty store, it is imperative that you have current statistics on operations and merchandising to help guide you in obtaining the results needed to maintain a strong, viable business. The Annual Business Survey provides this information. It gives important data on the industry as a whole, and then goes a step further by giving the same information by firm volume, geographic area, and metropolitan population size. Thus, you can compare your performance with other stores similar to your operation.

Pages 8 and 9 give the total number of retailers who took the time to fill out and return the questionnaire along with a breakdown of these participants by area, volume, metropolitan size, number of retail outlets, and type of ownership. The first three of these are the most important as these categories are used throughout the Annual Business Survey. Use these percentages to determine where you can most heavily rely on the figures presented. As with any survey, the more firms represented, the better and more dependable the analysis.

"Highlights of the Report" (page 7) gives a summary of the major findings covered in the report. On this page comparisons are made to last year for the following: net profit, advertising expenditures, sales per square foot, stock turn rate, total expenses, alteration costs, shrinkage, and initial markup. This lets us know how we did, where we made improvements, and where we still need to improve.

The "Merchandise Trends Five-Year Report" (page 10) covers three major men's wear categories: clothing, sportswear, and furnishings. The initial markup percentage report shows changes in the initial markup for each of the three categories over the past five years. Here we can see a very slow but steady yearly increase in all categories. The markdown percentage report tracks increases and decreases in markdowns for this same period. Retailers today are more conscious of the relationship between initial markup percent, the markdown percent, and gross margin, and realize that by increasing initial markup you can also increase price promotions without decreasing gross margin. For example, an initial markup of 50% with markdowns of 10% will produce a 45% gross margin. However, by increasing the initial markup to 55%, a retailer is able to increase his markdowns to 20% and still enjoy a 46% gross margin.

"Ten Year Trends" (page 11) graphically depicts experiences in the following areas: Gross Margin Percent, Net Profit Percent, Total Expenses as a Percent of Net Sales, and the Percent of Annual Sales Increases. From the data on this page we can see that profits are static and total expenses remain high. Gross Margin has been slowly improving, though not enough to keep up with the increase in expenses. Retailers must exercise discipline in both of these areas if they are to remain in business. There is no way around it. While retailers are also finding it difficult to increase their share of the market, this year showed the most significant increase in three years. The trends shown are industry-wide. Hopefully, yours are better. As we look further in the Survey you will be able to see specific areas where improvements can be made.

Ten Key Business Ratios are listed and defined on page 12 of the Survey. These are used extensively by your banker, resources, or factors to measure your debt-paying ability. Some are also useful to management, in particular, Net Profits On Net Sales, Net Profits On Net Worth, Net Sales To Net Worth, Current Assets To Current Liabilities, and Total Liabilities On Net Worth. In my practice I use these ratios plus sales per square foot (total sales divided by total store square footage used), stock turn rate, return on assets (net profit before taxes divided by total net assets), operating expense ratio (operating expenses divided by net sales), gross margin ratio (gross margin divided by net sales), class cumulative gross margin percent (gross margin ratio times stock turn rate for each classification), and annual sales growth rate. I feel these are the 12 most significant ratios for measuring the effectiveness of a retailer.

You will see here and throughout the book that there is space provided to enter your company's figures. You should enter your own data in order to compare your company's performance to others in the industry. A word of caution: If you intend to use the data in the Survey as a guide to establishing goals for your company, I suggest you use the upper range of common experience as the minimum goal. Do not aim for mediocrity.

Data on the Star Performers is listed on pages 16 and 17 of the Survey. The retailers are in the top 25% of participants, based on net profits. These star performance figures can be most helpful in establishing objective and critical goals and criteria for your store's performance. To put your store in this category requires a two-pronged approach.

First, decide who you are and what you want to offer your customers and offer it with excellence. If it is an in-house charge account program, have the best. If you offer alterations, offer the very best, and that includes training and modern equipment. If you offer personal-

ized professional sales service, hire and pay for the best. You cannot hire qualified salespeople for minimum wage, and you cannot keep professional salespeople without an adequate compensation plan tied to their performance.

Second, keep adequate control over all aspects of your business. This does not necessarily mean that less is best. It does mean the right amount is best—the right amount of advertising, the right amount of inventory, the right number of sales associates. The detailed data presented in the Survey should be used to give you ideas for changes or improvements which you can make to enhance your company's performance.

Since payroll is the largest operating expense of a retail firm, the Annual Business Survey devotes several pages to employee productivity (pages 18-20). The Survey gives information by volume of sales on the number of employees and what they do in stores. Productivity figures are given for total store employees in three areas: sales per employee, gross margin per employee, and profit per employee.

The most important information given on employee productivity is the data on salespeople (page 21). The average sales and average pay per salesperson are very revealing. Neither of these is adequate. The level of sales being generated by salespeople is not sufficient to achieve the levels of growth and profit which are necessary to survive and prosper in today's retail environment. This is reflected in the "Ten Year Trends" discussed earlier. It has been my experience that proper personnel management in men's wear stores is even more important than inventory management in its potential for profit. In this case, as before, you should be comparing your salespersons' productivity to the top range of common experience. If the comparison is not favorable, steps need to be taken now to increase motivation through better training, sales contests—whatever it takes in your particular situation. The compensation level for salespeople is also inadequate. This causes high turnover as our good salespeople leave for better paying jobs elsewhere. This problem can be relieved by offering a compensation package tied to the salesperson's level of sales.

Page 23, showing the profit performance for all firms, paints a bleak picture. Look at the number of firms showing a loss. This gets back to earlier statements about control—control of merchandise to achieve an adequate gross margin and control of expenses.

The Profit & Merchandising Information on pages 23 and 24 highlights changes in merchandising data for each of the three major categories in comparison to last year. The average initial markup percentage of major merchandise category shows the experience of other retailers. By looking at the upper range of common experience you can see that higher initial markups are being achieved. To achieve these higher initial markups requires the discipline of a merchandising budget or Open-To-Buy, which affords the retailer the ability to plan his purchases so funds will be available to take advantage of special buys and in-season promotions.

Page 25 offers an insight on total shrinkage and gives the distribution of the shrinkage among the various departments within the store. The leased department sales information is helpful in showing the type of sales performance you can expect.

An overall view of Merchandising and Productivity data for all firms is given on page 26. This same information is given by firm volume, metropolitan trading area, and geographic area on pages 41, 46, 49, and 53. Of particular interest is the data on annual sales growth rate, sales per square foot, and stock turn rate. These are three of the ratios mentioned earlier as being most significant in evaluating a firm's performance.

The "Percentage Increase or (Decrease) in Sales by Merchandise Classification" (page 30) tracks the annual growth rate of each classification. This can be useful to retailers trying to expand their sales as it shows the gains being made by other stores in each classification.

Detailed stock turn rate information is given in the "Inventory Turnover by Merchandise Classification" chart on page 33. It is my opinion that men's wear stores have a poorer performance in this area than in any other area of their operations. With the carrying cost of excess inventory exceeding 30 percent, retailers cannot afford to be over-inventoried. Also, by keeping inventories at a lower level, the retailer is able to keep a steady supply of fresh merchandise flowing into the store and also avail himself of opportunities for in-season buying.

Page 27 shows how other retailers' sales are distributed among the classifications. This can be used as a guide to increase sales opportunities in a particular class. Of course, your sales distribution will depend on your target customer and your area of the country. For example, classifications such as jackets and heavy outerwear will show a higher percentage of total sales in northern firms.

The "Percentage Distribution of Average Inventory Within Major Departments by Merchandise Classification" (page 29) and the companion "Percentage Distribution of Sales by Merchandise Classification" (page 27) show the relationship of sales to inventory and clearly illustrate that a higher level of inventory does not necessarily give you more sales. Enter your figures here and compare them.

The "Markdowns as a Percentage of Merchandise Classification Sales" (page 31) shows the amount of markdowns other retailers are taking for each particular class. If yours exceed or are considerably below the norm, ask yourself why. Remember, higher markdowns can be easily afforded if the trade-off is higher markons and turnover. Lower is not necessarily better.

Pages 35 and 38 give information on how retailers spend their advertising dollars. Page 35 shows a breakdown of advertising expenditures by media types. There is a wide variance in the range of common experience since localities vary so widely in the effectiveness of different media. Page 38 breaks down total advertising expenditures on a monthly basis. It shows what percent-

age of the total advertising dollar is spent for each month and how it relates to the total sales distribution.

The Composite Operating Statement for all firms on pages 36-37 is very helpful. This information is repeated by firm volume on pages 40 and 45, by metropolitan population size on pages 50-51, and by geographic area on pages 54-55. By looking at the upper range of common experience you can see that some retailers are achieving a good gross margin percentage of 45% and more. The retailers achieving this level of gross margin are likely the ones using the Retail Inventory Method and following an Open-To-Buy. Without this discipline it is difficult, if not impossible, to achieve higher levels of gross margin.

The Retail Inventory Method gives valuable information on initial markup and markdown percentages by classification, enabling you to not only know that your gross profit is too low but help you see why it is too low. This initial markup could be insufficient or the markdowns or shrinkage too high. The stock ledger gives you this and other valuable management informtion.

A well-executed and followed Open-To-Buy can also enable you to achieve higher gross profit by planning purchases so you are able to take advantage of promotional buying opportunities. Also, an Open-To-Buy will help in keeping inventory levels down so excess markdowns to clear out old stock can be avoided.

Fill in your company's expense figures and see how yours compare. Use this to help spot areas where expenses are out of line. For example, if other retailers are able to keep the expense for supplies at 3 percent of sales and yours is at 4½ percent, find out why and take the necessary steps to correct it.

Performance ratios based on square footage are given on pages 42 and 47, first by selling area, then by total area. This emphasizes how valuable a square foot of area must be considered, especially with today's rent and occupancy costs. The key to better performance is increased sales per square foot. This is further shown on pages 48 and 52 where sales per square foot data is given by metropolitan size and by geographic area. As stated earlier, the two most critical ratios in measuring the success or failure of a retail apparel specialty store are sales per square foot and stock turn rate.

On the last page of the survey is the 4-5-4 retail accounting calendar which I recommend to all retail apparel stores. It eliminates year-to-year fluctuation in monthly sales due to the different number or assortment of selling days per month, which is helpful in planning sales, inventory, payroll, and advertising expenditures.

If you did not participate in the Annual Business Survey this year I hope you will make every effort to do so next year. The more participants we have, the more valuable the Survey will be.

1987 HIGHLIGHTS OF THE REPORT

- Net profits before taxes (p.37) hit an eight-year high of a median 2.8 percent of sales, up three-tenths of a percent from 1986 and against an eight-year low of 2.2 percent in 1985. Firms handling women's wear gained some strength, moving from a median 1.8 percent of sales net profit before taxes in 1986 to 2.3 percent in 1987. Firms handling men's wear only reported median net profits before taxes of 3.4 percent of sales, compared with 3.0 percent in 1986 and 2.5 percent in 1985.

- The number of men's wear firms showing losses (p.23) crept up to 19 percent of responding firms in 1987 after declining to 18 percent of responding firms in 1986 from a high of 21 percent in 1985.

- The net sales increase (p.26) in 1987 edged down to a median 3.2 percent gain over 1986 sales, compared with the 3.6 percent increase reported in 1986 over 1985. This compares with a 2.2 percent net sales increase in 1985 versus a 3.3 percent rise in net sales for 1984. Advertising expenditures (p.36) slipped to a median 3.3 percent of total sales in 1987 following a two-year experience of 3.4 percent of sales.

- Total expenses as a percent of sales (p.37) held steady at the 1986 level of 41.7 percent, remaining below the 1985 high of 42 percent. No change was reported for firms handling women's wear, where total expenses for 1987 maintained the 42.0 percent level set in 1986. Firms handling men's wear only fluctuated only slightly from the 1986 experience of a median 40.9 percent of sales to 41.0 percent in 1987.

- The median stock turn rate (p.26) improved in every category. The all firms experience for 1987 was 1.9 turns, compared with a median 1.7 times turn in 1986 and 2.1 times in 1985. Firms handling women's wear matched the industry average of 1.9, compared with a median 1.8 turn rate posted in 1986.

- The median shrinkage rate (p.25) moved from 1.2 percent of sales in 1986 to 1.5 percent in 1987. Firms handling men's wear only reduced shrinkage to a median .6 percent from the 1.3 percent showing in 1986. A 1.6 percent shrinkage experience was reported by firms handling women's wear, up from the 1986 median of 1.2 percent of sales.

- Ending inventory as a percent of sales (p.26) inched down for the second year, declining from a median 25.5 percent of sales in 1986 to 25.1 percent of sales in 1987.

- Overall, initial markup (p.24) rose above its 1986 high of a median 53.6 percent to 54.0 percent in 1987. Initial markup by major merchandise classification changed only fractionally in men's clothing and furnishings. Sportswear showed the largest increase, up one percentage point to a median 54.9 percent.

- Men's clothing sales as a percentage of total sales (p.10) fluctuated from a median 48.2 percent share in 1986 to 47.8 percent in 1987. The five-year high of 52.7 percent was reported in 1985. Looking at the distribution of sales within major department by merchandise classification (p.28), sales of men's suits rose somewhat from a median 44.3 percent in 1986 to 44.6 percent of clothing sales in 1987. Men's sportswear sales were off slightly in every category except Jeans and Coordinated Leisurewear.

WHO MADE THIS SURVEY POSSIBLE

DATA COMPILATION

Information for this year's Survey was received, controlled and compiled into the statistical tables by Tyson Belzer & Associates, Inc. The medians and ranges of common experience were computed based on the confidential, unaudited questionnaires submitted by 157 participants with useable returns. Respondents were contacted as required to reconcile questionable data. The results of the participating members are presented to represent characteristics of the men's wear retailing industry and are not intended to represent a statistically valid sample of MRA members.

1987 REPORT BY GEOGRAPHIC AREA

The geographic areas used in this report are based on the United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis and Kansas City Districts; the Southwest, the Dallas District and the West, the San Francisco District. A map detailing these areas is found on page 57.

Geographic Area	Percent of Total Participants
Northeast	14%
Southeast	22%
North Central	22%
Central	22%
Southwest	9%
West	11%
Total	100%

1987 REPORT BY FIRM VOLUME

Volume Group	Percent of Total Participants
I. Under $300,000	10%
II. $300,000 to $499,999	20%
III. $500,000 to $999,999	30%
IV. $1,000,000 to $3,499,999	22%
V. $3,500,000 and over.	18%
Total	100%

1987 REPORT BY SIZE OF METROPOLITAN (TRADING) AREA

This is the population of trading area immediately surrounding the community, town, or city in which your business is located. These divisions represent the total number of potential customers for your store as found in your trading area.

Metropolitan Size	Percent of Total Participation
I. Less than 25,000	18%
II. 25,000 to 49,999	21%
III. 50,000 to 99,999	19%
IV. 100,000 to 499,999	25%
V. 500,000 to 999,999	6%
VI. 1,000,000 and over	11%
Total	100%

1987 REPORT BY NUMBER OF RETAIL OUTLETS

No. of Outlets	Percent of Respondents
1	70%
2	13%
3	5%
4	2%
5	4%
6	2%
7	3%
8	<1%
9	—%
10 or more	<1%
Total	100%

1987 REPORT BY TYPE OF BUSINESS

Type of Business	Percent of Respondents
Proprietorships	8%
Partnerships	3%
Incorporated*	89%
Total	100%

*Included in this figure are Subchapter "S" incorporated proprietorships.

1987 REPORT BY STORE TYPE

Store Type	Percent of Total Stores	Type of Ownership	
		Own	Rent
Downtown	42%	39%	61%
Strip center	14%	12%	88%
Enclosed Mall	36%	5%	95%
Free-Standing Suburban	8%	27%	73%
All Stores	100%	24%	76%

SELLING AREA AND TOTAL AREA BY STORE TYPE

(average square feet)

Store Type	Selling Area	Total Area (Both Selling & Non-Selling) Average Sq. Ft.
Downtown	4,992	7,023
Strip Center	4,631	5,928
Enclosed Mall	4,690	5,629
Free-Standing Suburban	7,276	8,509

MERCHANDISE TRENDS—FIVE YEAR REPORT 1983-1987

These figures represent the changes in the men's fashion industry. Because Survey participants vary from year to year, the figures should not be interpreted as showing definite industry trends.

DISTRIBUTION OF MEN'S WEAR SALES WITHIN THREE MAJOR MERCHANDISE CLASSIFICATIONS

	1983	1984	1985	1986	1987
Total Men's Clothing	53.9%	45.2%	52.7%	48.2%	47.8%
Total Men's Sportswear	24.9%	32.8%	28.0%	29.3%	31.4%
Total Men's Furnishings	21.2%	22.0%	19.3%	22.5%	20.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

PERCENTAGE OF INITIAL MARKUP FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

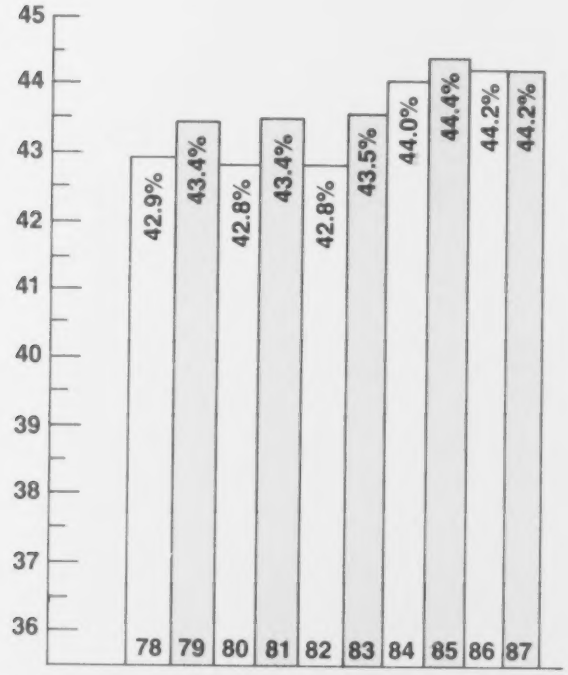
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1983	53.5%	53.6%	53.7%
1984	54.4%	53.5%	53.9%
1985	54.3%	54.0%	54.0%
1986	53.9%	53.9%	53.7%
1987	54.3%	54.9%	54.0%

PERCENT OF MARKDOWN FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

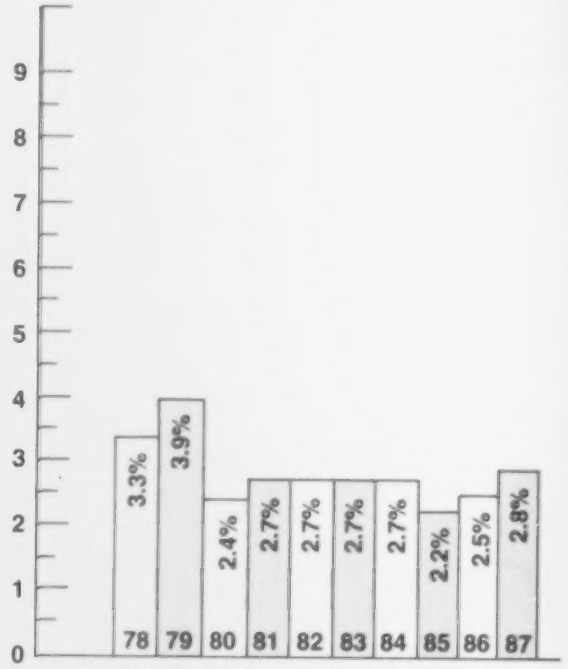
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1983	14.5%	16.4%	8.1%
1984	15.9%	15.5%	8.5%
1985	14.8%	16.5%	9.4%
1986	16.8%	17.6%	10.5%
1987	16.0%	17.2%	9.4%

TEN YEAR TRENDS

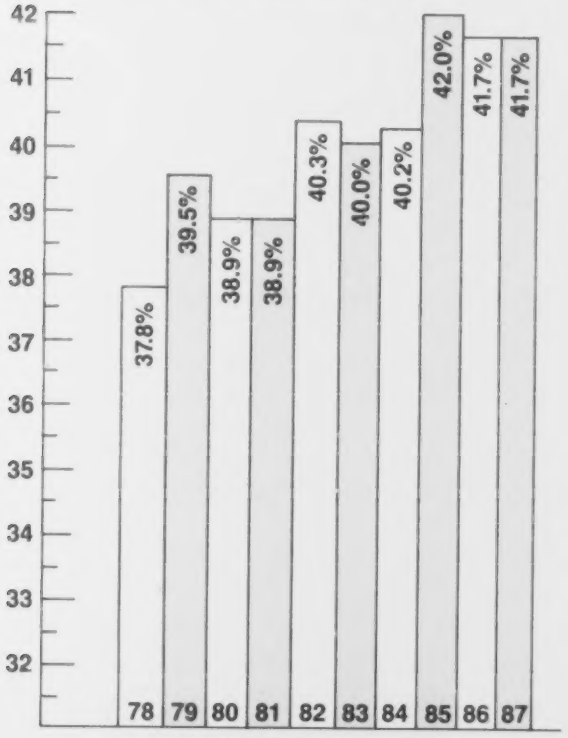
The presentation of ten year trend figures is to illustrate how the men's wear retailing industry changes. Each year's figures are independent and must stand alone. Because survey participants vary each year, the figures presented may not be entirely compatible. Data depicted are median figures.



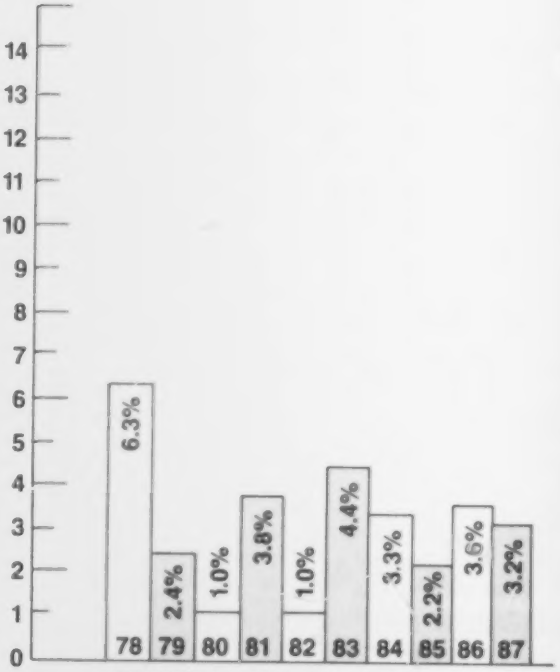
Gross Margin All Firms*
(Percent of Net Sales)



Net Profit Before Taxes All Firms
(Percent of Net Sales)



Total Expenses All Firms*
(Percent of Net Sales)



Total Sales Percentage Increase
over Prior Years

THE 10 KEY BUSINESS RATIOS THAT UNLOCK THE DOOR TO CREDIT AND HELP YOU EVALUATE THE SUCCESS OF YOUR BUSINESS

Each year these ten key business ratios are used by your banker, your resources and others to determine your ability to meet your obligations—your business' strength. Their evaluation of your performance in these ten areas can open the door to the credit you need. An understanding of these ten key business ratios helps you to evaluate and better understand your business.

1

CURRENT ASSETS TO CURRENT LIABILITIES

Current Assets are divided by total **Current Liabilities.** Current Assets are the cash, notes, accounts receivable, (less reserve for bad debts) merchandise inventories and securities (not in excess of market value). Current Liabilities consist of the total of all debts falling due within one year. This is one test of solvency.

2

QUICK RATIO OR ACID TEST

This ratio is a more severe measure of liquidity than the current ratio, since it eliminates inventory and prepaid items from consideration. It assumes that a company's ability to meet its current debts in an emergency depends on its "quick" assets—its cash and readily marketable securities and receivables. The traditional rule of thumb is that the minimum for this ratio should be 1 to 1, which implies that current liabilities are covered by quick assets. The ratio is obtained by dividing **"Quick Assets"** by **Current Liabilities.**

3

NET PROFITS ON NET SALES

This ratio is obtained by dividing **Net Profits** of the business (before taxes) by **Net Sales.** This important yardstick in measuring profitability is closely related to the next ratio.

4

NET PROFITS ON NET WORTH

This ratio is computed by dividing **Net Profits** (before taxes) by **Net Worth.** Net Worth is the equity you or your stockholders have in the business as obtained by subtracting total liabilities from total assets. There is a tendency to use this figure as a final evaluation of business profitability. Most evaluators look upon a relationship of at least 14 percent as desirable for providing funds for future growth.

5

NET PROFITS ON WORKING CAPITAL

This ratio is obtained by dividing **Net Profit** (before taxes) by **Net Working Capital.** Net Working Capital is the excess of Current Assets over Current Liabilities and represents the cushion available to the business for carrying inventories, in some cases receivables, and for day-to-day financing. This ratio then reflects the contribution of net profits to business liquidity.

6

NET SALES TO NET WORTH

Net Sales are divided by **Net Worth.** This gives a measure of the turnover of invested capital.

7

NET SALES TO NET WORKING CAPITAL

Divide **Net Sales** by **Net Working Capital.** This serves as a guide to a firm's ability to turn its Working Capital and its levels of operating funds.

8

CURRENT LIABILITIES ON NET WORTH

Computed by dividing **Current Liabilities** by **Net Worth.** A potential problem exists when this relationship exceeds 80 percent.

9

TOTAL LIABILITIES ON NET WORTH

Divide **Total Liabilities** by **Net Worth.** When this ratio is in excess of 100 percent the creditors have a greater equity in the firm than the owners.

10

INVENTORY ON NET WORKING CAPITAL

Merchandise Inventory, as reflected in current assets, is divided by **Net Working Capital.** This indicates inventory balance and true capital liquidity. Ordinarily this ratio should not exceed 80 percent or day-to-day operating capital is impaired.

TOTAL INDUSTRY PERFORMANCE ALL FIRMS

TEN KEY BUSINESS RATIOS BASED ON A STUDY OF MEN'S WEAR RETAILING FIRMS

	Range of Common Experience	Median
Current Assets to Current Liabilities	2.3- 5.7	3.0
Quick Ratio	.6- 2.3	1.0
Net Profits on Net Sales	.8- 6.2%	2.8%
Net Profits on Net Worth	2.8- 26.3%	12.5%
Net Profits on Net Working Capital	1.9- 20.3%	10.0%
Net Sales to Net Worth	2.5- 6.5	3.9
Net Sales to Net Working Capital	2.6- 5.3	3.9
Current Liabilities on Net Worth	25.0- 89.2	51.0
Total Liabilities on Net Worth	29.4-160.1	73.3
Inventory on Net Working Capital	71.1-132.8	99.2

TEN KEY BUSINESS RATIOS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000 (15 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (31 Firms)		GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (47 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (35 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities	2.9 - 13.5	5.3	2.7- 7.8	4.8	2.5- 6.7	3.4	2.1- 3.7	2.9	1.9- 2.9	2.4	
Quick ratio or acid test	.7 - 2.1	1.0	.7- 3.8	1.3	.4- 2.7	1.1	.5- 2.1	.8	.6- 1.5	1.0	
Net profits on net sales	.7- 6.7%	5.9%	.5- 9.0%	2.5%	.2- 8.2%	3.5%	1.1- 5.0%	2.7%	.8- 4.1%	1.8%	
Net profits on net worth	6.9- 38.6%	23.3%	2.8- 54.1%	14.5%	(1.4)- 22.2%	13.2%	4.8- 26.9%	12.5%	2.6- 16.7%	9.9%	
Net profits on net working capital	(.1)- 33.1%	12.7%	.3- 22.8%	8.2%	(1.3)- 16.9%	9.0%	4.7- 23.0%	13.2%	3.0- 17.1%	7.8%	
Net sales to net worth	1.5 - 4.8	2.3	1.9- 8.2	3.8	2.4- 5.7	3.4	2.9- 7.2	4.6	2.8- 5.8	4.0	
Net sales to net working capital	2.1 - 4.6	2.3	2.1- 4.8	3.2	2.3- 4.7	3.2	3.5- 6.2	5.1	3.7- 6.6	4.3	
Current liabilities on net worth	7.9 - 61.3%	23.0%	17.7- 84.8%	41.5%	21.3- 77.1%	42.3%	30.6-123.5%	52.6%	44.7- 95.3%	67.3%	
Total liabilities on net worth	7.9 -145.5%	23.0%	23.7-202.6%	76.5%	29.2-172.3%	71.1%	37.5-169.6%	78.4%	55.6-121.6%	82.6%	
Inventory on net working capital	83.6 -118.1%	100.1%	64.8-122.3%	99.3%	70.1-132.2%	97.2%	59.7-140.9%	109.0%	77.3-134.4%	101.0%	

TEN KEY BUSINESS RATIOS BY GEOGRAPHIC (Federal Reserve District) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (35 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (34 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (34 Firms)		SOUTHWEST Dallas F.R. Dist. (14 Firms)		WEST San Francisco F.R. Dist. (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities....	2.1- 4.8	2.7	1.9- 4.4	2.8	2.5- 6.2	3.4	2.3- 7.7	3.1	2.4 - 4.4	3.0	2.2- 6.9	3.0	_____
Quick ratio or acid test.....	.3- 1.5	.8	.6- 2.0	.9	.7- 2.7	1.7	.6- 2.4	1.1	.8 - 2.0	1.3	.4- 1.8	.7	_____
Net profits on net sales.....	(.6)- 7.7%	3.3%	1.0- 7.4%	2.4%	1.5- 7.0%	4.6%	1.2- 6.1%	3.2%	(6.8)- 5.3%	1.0%	(1.2)- 5.3%	1.7%	_____
Net profits on net worth	(1.8)- 31.7%	12.3%	4.6- 18.1%	11.4%	3.4- 20.4%	13.2%	8.0- 31.8%	18.6%	(14.6)- 16.7%	5.7%	(1.4)- 16.8%	4.9%	_____
Net profits on net working capital..	(3.0)- 29.0%	9.9%	3.3- 17.1%	10.1%	4.1- 20.2%	12.6%	3.6- 21.7%	12.8%	(18.8)- 20.0%	2.9%	(1.2)- 12.4%	6.9%	_____
Net sales to net worth.....	3.3- 6.0	4.3	2.5- 8.9	3.6	2.0- 7.0	3.9	2.3- 7.1	4.6	2.6 - 4.2	3.0	2.8- 7.3	3.6	_____
Net sales to net working capital..	3.4- 5.9	4.3	2.6- 5.4	3.6	2.3- 6.0	3.7	2.4- 5.4	4.0	2.6 - 5.1	4.1	2.5- 5.2	3.4	_____
Current liabilities on net worth	27.7- 86.8%	55.1%	28.4-121.3%	67.1%	18.6- 59.4%	41.6%	20.4-123.5%	43.0%	30.3 - 57.2%	45.7%	27.8- 80.5%	53.1%	_____
Total liabilities on net worth	46.3-109.9%	72.2%	39.0-206.2%	104.2%	20.7-105.0%	54.0%	26.1-199.7%	76.5%	36.8 - 83.8%	61.4%	34.3-155.9%	80.3%	_____
Inventory on net working capital..	79.3-144.3%	112.3%	69.3-135.1%	110.6%	57.7-119.2%	85.1%	78.5-131.5%	96.2%	55.3 -109.8%	82.7%	79.9-139.6%	116.5%	_____

TEN KEY BUSINESS RATIOS BY METROPOLITAN (TRADING) AREA SIZE

	POPULATION Less Than 25,000 (28 Firms)		POPULATION 25,000-49,999 (33 Firms)		POPULATION 50,000-99,999 (30 Firms)		POPULATION 100,000-499,999 (40 Firms)		POPULATION 500,000-999,999 (9 Firms)		POPULATION 1,000,000 and over (17 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities	2.7- 13.5	3.9	2.8- 6.5	3.4	2.2- 4.3	2.9	2.0- 4.1	2.4	2.0- 3.4	2.3	2.6 - 6.5	3.1	
Quick ratio or acid test	.6- 7.2	1.1	.6- 2.2	.9	.6- 1.5	1.0	.4- 2.1	.8	.5- 1.6	.7	.7 - 2.7	1.2	
Net profits on net sales	.2- 8.0%	3.6%	1.0- 6.1%	4.4%	(.8)- 9.3%	2.5%	.4- 4.9%	2.3%	10.6- 6.6%	4.0%	1.5- 4.1%	2.5%	
Net profits on net worth	1.5- 37.2%	18.7%	3.0- 28.3%	9.1%	(1.9)- 33.3%	12.2%	.6- 24.9%	11.7%	6.1- 16.2%	12.6%	8.1- 16.6%	14.1%	
Net profits on net working capital	(.2)- 30.2%	11.3%	1.4- 19.7%	7.6%	(5.3)- 33.5%	8.4%	.4- 18.8%	9.3%	4.8- 15.0%	13.1%	7.0- 16.7%	12.5%	
Net sales to net worth	2.0- 7.5	3.9	1.8- 6.1	3.2	2.3- 6.5	3.7	2.9- 8.6	4.7	2.4- 6.4	3.6	3.1 - 5.5	4.6	
Net sales to net working capital	1.9- 4.7	2.8	2.3- 4.4	3.2	2.7- 6.6	4.4	3.6- 6.3	4.4	2.8- 4.5	3.4	2.9 - 5.7	4.6	
Current liabilities on net worth	10.1- 73.6%	37.6%	20.3- 76.9%	51.0%	25.9- 73.0%	47.1%	38.5-174.0%	69.5%	44.0-149.4%	69.4%	19.5 - 62.7%	45.0%	
Total liabilities on net worth	15.4-204.3%	66.0%	26.3-135.5%	74.3%	30.1-100.9%	60.4%	48.5-259.6%	91.0%	45.2-221.9%	128.3%	28.7 -125.7%	70.6%	
Inventory on net working capital	57.9-112.8%	98.8%	68.2-126.4%	103.6%	84.6-124.7%	98.7%	58.6-147.6%	114.8%	75.6-150.4%	123.2%	68.3 -122.6%	89.3%	

THE STAR PERFORMERS

Pacesetters for the Men's Wear Retailing Industry

Median, or middle, performance figures used throughout this report offer comparative guidelines for evaluating your firm's performance with that of similar firms and the industry as a whole. However, for firms seeking more aggressive growth, we've highlighted the top performance levels as reported in this Survey and suggest that for some, they may serve as more challenging goals.

The sole criterion for star performers was net profit before taxes as reported by the top twenty-five percent who participated in this Survey.

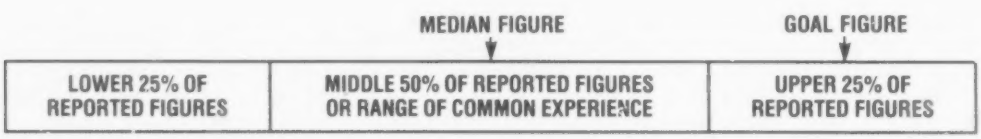
In an effort to find out what contributes most to star performances, we have analyzed key criteria such as gross margin and expense categories such as payroll, rent, advertising and total expense levels. The resulting analysis indicates that no single key expense criterion was responsible for the stellar performance and while in most cases expenses were lower than the industry median performance, an exception indicates that higher profits can still be attained through controlling gross margin.

Gross Margin Contribution to Top Performance. Gross margin levels reflect the effectiveness of merchandising procedures and practices. The components involved are initial markup, markdowns, shrinkage, incoming freight and discounts earned. Improvements in gross margin translate into direct increases in net profits. Complete open-to-buy budgeting by classification and strict adherence to plans is the surest way to improve gross margin.

Expense Control Contribution to Top Performance. Controlling expenses is another major area affecting net profit. Variations between median figures for all stores within each volume group and goal figures are even more marked in expense levels than in gross margin, indicating this area provides the greatest opportunity for profit improvement. Expense savings are best achieved by detailed budgeting of each item by month. A prompt analysis and thorough review of any figures out of line should result in early correction.

Payroll is the largest expense category and therefore worthy of most attention. Careful utilization of part-time help will keep costs down. Motivation of the entire staff is necessary in improving productivity. Selling help must be scheduled in accordance with customer traffic pattern as studied frequently. Keeping records simple and reports at a minimum, consistent with needs and efficiency, keeps non-selling payroll down.

Merchandise Control Contribution to Top Performance. Effective merchandise control contributes substantially to net profit. Improved turnover will result in lower markdowns, less accumulation of old goods, fewer lost sales because of balanced stocks, and an improved fashion image. Higher sales per square foot in turn results in a more exciting store, less shrinkage, lower selling cost and savings in many expense areas.


MEDIAN FIGURE
GOAL FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

STAR PERFORMERS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
	(7 Firms)	(9 Firms)	(14 Firms)	(6 Firms)	(4 Firms)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	42.9	48.3	48.1	45.8	45.4
Total payroll	14.7	16.7	22.1	16.2	16.1
Advertising	2.6	.4	2.4	3.9	4.1
Real property rentals	3.5	3.2	.1	4.1	5.6
Total expenses	32.8	30.1	1.1	35.6	41.4
Net profit, before Federal income taxes	6.7	10.5	10.5	9.2	9.4

STAR PERFORMERS BY GEOGRAPHIC (FEDERAL RESERVE DISTRICT) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.	SOUTHEAST Richmond, Atlanta F.R. Dist.	NORTH CENTRAL Cleveland, Chicago F.R. Dist.	CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.	SOUTHWEST Dallas F.R. Dist.	WEST San Francisco F.R. Dist.
	(7 Firms)	(9 Firms)	(10 Firms)	(8 Firms)	(3 Firms)	(3 Firms)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	41.7	44.7	47.5	48.3	49.1	51.1
Total payroll	15.4	22.3	15.8	17.7	17.3	18.0
Advertising	3.2	2.4	2.4	3.3	4.0	2.0
Real property rentals	2.4	1.4	3.9	3.8	3.7	8.7
Total expenses	34.4	31.9	38.1	39.8	39.0	33.3
Net profit, before Federal income taxes	7.9	10.1	11.3	8.3	11.1	10.8

STORE EMPLOYEES AND WHAT THEY DO

The average number of employees for the typical men's wear store remained constant in Group I. The median number of employees in Groups II and IV increased by 1; Group III increased by 2 from 1986 levels. Group V firms reported an average of 64 employees in 1987, 3 employees fewer than in 1986 and the lowest in this decade.

Group V firms reduced the median number of office personnel from 8 in 1986 to 5 in 1987; buying and merchandising employees averaged 3 in 1987 compared to 5 in 1986. In keeping with this trend to reduce total store personnel, the typical full-time sales staff for Group V firms declined from the 1986 median of 25 to 23 in 1987, and part-time sales staff was cut to 9 employees versus a median of 14 in 1986.

STORE EMPLOYEES AND WHAT THEY DO BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average No. of employees					
Range of common experience	3-4	4-6	6-12	12-21	52- 89
Median	3	5	8	17	64
General management					
Range of common experience	1-1	1-2	1-2	1-3	2-3
Median	1	1	2	2	3
Office personnel					
Range of common experience	1-1	1-1	1-1	1-2	3-11
Median	1	1	1	1	5
Buying & merchandising					
Range of common experience	1-1	NA	1-1	1-2	2-6
Median	1	NA	1	1	3
Store management					
Range of common experience	NA	1-2	1-1	1-2	3-9
Median	NA	1	1	2	5
Full-time sales					
Range of common experience	1-2	1-2	2-4	3-6	15-30
Median	1	1	3	5	23
Part-time sales					
Range of common experience	1-2	1-2	1-3	1-6	7-18
Median	1	1	2	2	9
Tailoring & alterations					
Range of common experience	NA	1-1	1-2	2-4	7-19
Median	NA	1	1	3	10
Warehouse, delivery, maintenance					
Range of common experience	NA	NA	1-1	1-2	2-7
Median	NA	NA	1	1	4

HOW PRODUCTIVE ARE YOUR EMPLOYEES

In an effort to help the retailer evaluate his employee's productivity, the average number of employees working for each Survey participant was divided into the key business figures of annual sales, gross margin, and operating profits. The results are an indication of your employee's contribution to overall store profits and of individual productivity. The figures represent median performance levels and are not those of the outstanding performers. This should be kept in mind when setting individual performance goals for your employees.

The average total sales per employee were down from 1986 levels in Groups I, II, III, and IV. Group II firms showed the largest decrease, from a median $108,000 in 1986 to $75,200 in 1987. In Group III, total sales per employee fell to a median $82,200, compared with $11,300 in 1986. Group V firms held steady at a median $83,500 total sales per employee.

Group II firms also saw average gross margin per employee decrease from a median $44,400 in 1986 to $34,200 in 1987. The median profit per employee in Group II firms also continued to drop, from $4,000 in 1986 to $1,900 in 1987, below the 1983 level of $2,100.

STORE EMPLOYEE PRODUCTIVITY BY FIRM VOLUME
(In Thousands of Dollars)

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average total sales per employee					
Range of common experience	$54.1 - 90.1	$62.1- 94.7	$65.1-107.1	$78.4-111.6	$69.1- 98.5
Median	$70.7	$ 75.2	$ 82.2	$ 88.0	$83.5
Average gross margin per employee					
Range of common experience	$21.3 - 39.3	$23.9- 41.8	$26.7- 49.0	$34.9- 47.7	$32.6-47.8
Median	$27.2	$34.2	$35.1	$38.2	$37.4
Average profit per employee					
Range of common experience	$ .5- 5.6	$ .3- 5.0	$ .1- 5.5	$ .9- 5.0	$ .6- 3.7
Median	$ 4.0	$ 1.9	$ 3.0	$ 3.0	$ 1.5

On a regional basis, all firms experienced a decline in average total sales per employee for 1987 over 1986. The steepest drop was in the Southwest, where sales per employee dipped from a median $110,100 to $78,500. Firms in the West experienced a median $78,600 in sales per employee in 1987 versus $107,700 in 1986. The Southeast also dipped from a 1986 experience of $103,400 to $79,700 in 1987.

The average operating profit dollars per employee improved in the North Central region from a median $2,400 in 1986 to $3,600 in 1987. In the Northeast, median operating profit dollars per employee increased by $800 to $3,100 in 1987; and in the West this figure increased by $300 to a median $1,300. The Central and Southwest regions experienced declines.

STORE EMPLOYEE PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE

(In Thousands of Dollars)

	POPULATION Less Than 25,000 (28)Firms)		POPULATION 25,000-49,999 (33 Firms)		POPULATION 33,000-99,999 (30 Firms)		POPULATION 100,000-499,999 (40 Firms)		POPULATION 500,000-999,999 (9 Firms)		POPULATION 1,000,000 and over (17 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$61.6- 87.2	$72.6	$65.3- 94.5	$ 74.4	$65.3-101.5	$83.6	$71.0- 98.7	$87.0	$ 72.5 -105.2	$80.3	$ 82.3 -115.4	$99.8
Average Gross Margin Dollars Per Employee	$23.0- 36.1	$27.1	$27.3- 40.0	$33.0	$27.0- 45.3	$35.7	$32.4- 45.2	$38.5	$ 35.3 - 53.5	$40.5	$ 40.7 - 55.3	$48.0
Average Operating Profit Dollars Per Employee	$ .2- 5.3	$ 3.4	$ .7- 5.3	$ 2.7	$(.7)- 6.7	$ 2.6	$ .2- 4.5	$ 1.8	$ .9- 6.6	$ 2.9	$ 1.1- 4.0	$ 2.3

STORE EMPLOYEE PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA

(In Thousands of Dollars)

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.		SOUTHEAST Richmond, Atlanta F.R. Dist.		NORTH CENTRAL Cleveland, Chicago F.R. Dist.		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.		SOUTHWEST Dallas F.R. Dist.		WEST San Francisco F.R. Dist.	
	(22 Firms)		(35 Firms)		(34 Firms)		(34 Firms)		(14 Firms)		(18 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$76.0-116.2	$ 92.6	$63.5- 94.6	$ 79.7	$71.3-107.6	$81.7	$68.0-104.7	$84.4	$62.1-100.9	$ 78.5	$57.8- 91.2	$ 78.6
Average Gross Margin Dollars Per Employee	$27.2- 45.1	$37.8	$26.5-43.8	$33.7	$29.4- 47.8	$35.8	$30.9- 49.6	$37.3	$27.6- 48.1	$37.4	$25.6- 40.4	$34.0
Average Operating Profit Dollars Per Employee	$(.6)- 8.0	$ 3.1	$ .6- 4.5	$ 1.7	$ 1.5- 6.0	$ 3.6	$ .9- 5.1	$ 2.7	$(5.0)- 5.2	$ .8	$(.9)- 4.1	$ 1.3

SALESPERSON PRODUCTIVITY AND COMPENSATION

Firms in Group I (under $300,000) experienced the largest increase in average sales per sales employee, rising from $134,700 in 1986 to $137,600 in 1987. Group V firms ($3.5 million and over) showed the only other increase, from a median $158,200 in 1986 to $159,900 in 1987.

Average pay per sales employee for Group I firms was reported at a median $18,600, over 50 percent higher than the $12,300 reported in 1986. In Group II ($300,000 to $499,999), average pay per sales employee dropped back to $13,400 in 1987 following a 32 percent increase the previous year over 1985 levels.

In the Southwest, average pay per sales employee dipped 32.5 percent from $23,400 in 1986 to $15,800 in 1987. Average sales per sales employee dropped 39.5 percent from a median $259,400 in 1986 to $156,900 in 1987.

SALES PRODUCTIVITY BY FIRM VOLUME
(in Thousands of Dollars)

Volume Group	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under $300,000	$ 74.6-173.8	$137.6	$ 7.5-21.8	$18.6
$300,000 to $499,999	$106.7-219.0	$142.1	$10.4-15.1	$13.4
$500,000 to $999,999	$126.3-234.8	$178.9	$11.9-21.0	$15.0
$1,000,000 to $3,499,999	$161.2-295.4	$199.2	$15.8-25.1	$21.7
$3,500,000 and over	$137.8-238.3	$159.9	$12.5-24.0	$17.1

SALES PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA
(in Thousands of Dollars)

Geographic Area	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Northeast	$147.2-293.5	$180.8	$ 9.9-21.4	$16.3
Southeast	$115.9-227.6	$174.7	$12.3-23.9	$15.9
North Central	$122.6-257.5	$178.4	$12.3-22.4	$17.5
Central	$137.0-222.2	$157.7	$10.6-21.5	$13.7
Southwest	$116.7-270.7	$156.9	$14.0-25.0	$15.8
West	$114.6-206.9	$150.1	$10.6-21.2	$14.0

SALES PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE
(in Thousands of Dollars)

Metropolitan Size	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under 25,000	$106.3-206.7	$140.0	$ 7.9-18.5	$12.7
25,000 to 49,999	$108.6-183.8	$150.5	$10.9-15.5	$13.1
50,000 to 99,999	$120.7-245.2	$155.5	$10.6-21.5	$15.2
100,000 to 499,999	$149.0-260.0	$183.4	$13.8-24.0	$17.5
500,000 to 999,999	$166.0-257.7	$193.4	$15.4-26.5	$22.9
1,000,000 and over	$174.9-293.4	$241.1	$13.5-30.0	$23.4

1987 STORE OWNER COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	$ 7.9- 25.8	$20.2
$300,000 to $499,999	$16.0- 30.5	$19.8
$500,000 to $999,999	$21.2- 46.2	$32.2
$1,000,000 to $3,499,999	$37.9- 65.5	$54.6
$3,500,000 and over	$54.5-103.9	$68.2

Geographic Area	Range of Common Experience	Median
Northeast	$23.5-58.1	$38.9
Southeast	$20.1-66.3	$40.1
North Central	$17.9-64.3	$36.4
Central	$26.5-64.2	$41.9
Southwest	$21.1-86.5	$57.4
West	$19.1-47.9	$25.4

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$14.2- 31.8	$18.2
25,000 to 49,999	$19.6- 48.8	$33.0
50,000 to 99,999	$25.0- 63.4	$40.1
100,000 to 499,999	$26.7- 64.2	$54.0
500,000 to 999,999	$34.5- 67.5	$43.1
1,000,000 and over	$49.1-129.4	$95.9

1987 ALTERATION/TAILORING PERSONNEL COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	NA	NA
$300,000 to $499,999	$ 6.9-15.0	$13.5
$500,000 to $999,999	$10.8-17.2	$13.3
$1,000,000 to $3,499,999	$11.2-17.8	$15.2
$3,500,000 and over	$12.2-18.9	$15.7

Geographic Area	Range of Common Experience	Median
Northeast	$12.3-19.8	$16.1
Southeast	$ 9.2-16.7	$11.8
North Central	$10.1-17.3	$15.1
Central	$11.2-18.1	$13.7
Southwest	$12.8-16.4	$15.7
West	$12.3-26.6	$15.2

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$ 8.5-15.5	$ 8.8
25,000 to 49,999	$ 9.5-16.5	$11.6
50,000 to 99,999	$ 8.4-19.8	$13.5
100,000 to 499,999	$12.0-17.0	$15.0
500,000 to 999,999	$13.4-16.4	$14.8
1,000,000 and over	$15.3-23.9	$17.8

1987 PROFIT AND MERCHANDISING INFORMATION FOR ALL FIRMS

Net profits before taxes continued to improve in 1987, moving up to a median 2.8 percent of sales, compared to 2.5 percent of sales in 1986 and 2.2 percent of sales in 1985. The Profit Performance table shown below indicated that 19 percent of reporting firms showed a loss in 1987. In 1986, the percentage of total firms reporting losses was 18 percent; in 1985 this figure was 21 percent. Of those firms reporting a profit, 48 percent fell into the range between 0 and 4.9 percent, compared to 54 percent in 1986. The remaining 33 percent of responding firms reported net profits before taxes of 5 percent of sales or greater.

Gross margin (excluding net alterations expense) held steady at a median 44.2 percent of sales. Net alterations costs in 1987 crept back up to a median 2.0 percent of sales, following a decline to 1.9 percent in 1986 from a 2.4 percent high in 1985.

1987 PROFIT PERFORMANCE—ALL FIRMS

PROFIT PERCENTAGE	NUMBER OF FIRMS	PERCENTAGE OF TOTAL FIRMS
Loss (.1)-(0.9)	5	3%
Loss (1.0)-(2.0)	6	4
Loss (2.0)-(3.0)	6	4
Loss (3.0)-(4.0)	5	3
Loss (4.0) or less	8	5
0.0- 0.9	12	8
1.0- 1.9	21	13
2.0- 2.9	19	12
3.0- 3.9	13	8
4.0- 4.9	11	7
5.0- 5.9	11	7
6.0- 6.9	7	5
7.0- 7.9	5	3
8.0- 8.9	3	2
9.0- 9.9	5	3
10.0-10.9	5	3
11.0-11.9	3	2
12.0-12.9	2	1
13.0-13.9	—	—
14.0-14.9	2	1
15.0-15.9	1	1
16.0 and over	7	5
	157	100.0%

MERCHANDISING

Men's clothing department sales as a percentage of total sales inched up five-tenths of a point to a median 41.8 percent in 1987. Men's suits, as a percentage of total store sales, fluctuated from a median 17.7 percent experience in 1986 to 17.2 percent of total sales in 1987. Firms handling men's wear only garnered slightly less sales from clothing in 1987, with the typical store attributing 44.4 percent of total sales to clothing, compared with 45.5 percent in 1986.

The men's sportswear department increased its share of total sales from a median 20.1 percent in 1986 to 21.1 percent in 1987. Within the sportswear department, sweaters continued to advance, topping out at

a median 4.1 percent of total store sales. This matches the 1985 experience and again exceeds the previous ten-year high of 4.0 percent of total sales in 1983.

For the second consecutive year, men's furnishings sales continued to improve, moving to a median 18.4 percent of total sales in 1987. This compares with 18.1 percent in 1986 and 16.8 percent in 1985. Neckwear showed the largest increase in sales within the men's furnishings department, moving from 23.9 percent of furnishings department sales in 1986 to 27.1 percent in 1987.

INVENTORY TURNOVER AND AVERAGE INITIAL MARKUP

The median annual stock turnover rate moved back up to a 1.9 times turn in 1987 after slipping to a 1.7 times rate in 1986. Firms handling men's wear only improved their median turnover rate to 1.7 times versus their 1986 performance of 1.4. Firms handling women's wear saw stock turn increase to a median 1.9 from their 1986 performance of 1.8 times.

Average initial markup exceeded the 1984 high of 53.6 percent, rising to a median 54.0 percent. Within the merchandise classifications, average initial markup on men's sportswear showed the biggest upward movement, increasing from the 1986 level of a median 53.9 percent to 54.9 percent in 1987. Average initial markup in men's furnishings rose from a median 53.7 percent in 1986 to 54.0 percent in 1987.

ALL FIRMS OPERATING EXPERIENCES
1987 AVERAGE INITIAL MARKUP BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (45 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (17 Firms)		FIRMS HANDLING WOMEN'S WEAR (28 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING (010-090)							
Total Men's Clothing	52.0-55.8	54.3	_____	51.3-56.3	54.1	52.4-55.8	54.4
MEN'S SPORTSWEAR (100-250)							
Total Men's Sportswear	52.4-56.3	54.9	_____	52.4-56.5	53.3	52.7-55.9	55.1
MEN'S FURNISHINGS (260-295)							
Total Men's Furnishings	52.5-55.9	54.0	_____	51.9-56.3	54.0	53.1-55.9	54.3
BOYS' AND TEENS' (400-560)							
Total Boys' and Teens'	45.2-54.5	51.0	_____	40.2-52.9	50.0	45.2-55.0	53.7
MEN'S AND BOYS' SHOES (570-595)							
Total Men's and Boys' Shoes	49.0-52.8	50.5	_____	47.9-52.5	49.0	50.1-52.8	51.4
WOMEN'S (Misses and Juniors) WEAR (600-773)							
Total Women's Wear	52.4-54.2	53.0	_____	NA	NA	52.4-54.2	53.0
WESTERN WEAR (810-890)							
Total Western Wear	NA	NA	_____	NA	NA	NA	NA
OVERALL TOTAL	52.2-55.0	54.0	_____	51.1-55.8	54.3	52.8-54.9	54.0

*For each major department, only those stores reporting that classification are included in the tabulation.
Average Initial markup is the percent difference between the cost of goods purchased (including freight cost) and the original retail price, divided by the original retail price. For this purpose cash discounts are not subtracted.

SHRINKAGE

The median annual shrinkage figure rose to a median 1.5 percent of sales from the 1.2 percent of sales achieved in 1986. Firms handling men's wear only bottomed out at .6 percent of sales in 1987, a record ten-year low, compared with 1.3 percent of sales in 1986 and 1.8 percent of sales in 1985. Firms handling women's wear edged up to 1.6 percent of sales, following a 1.2 percent of sales median shrinkage rate in 1986 and a 1.7 percent rate in 1985.

Women's wear accounted for a median 19.3 percent of total store shrinkage in 1987, down 13.3 percentage points from 1986, the lowest in this decade. Men's clothing shrinkage increased to 27.8 percent of total store shrinkage in 1987, compared with 15.3 percent in 1986.

SHRINKAGE BY MAJOR DEPARTMENT AS A PERCENTAGE OF TOTAL SHRINKAGE

Major Department	ALL FIRMS (26 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM
Men's Clothing	11.6-58.3	27.8	_____ %
Men's Sportswear	7.5-27.7	18.4	_____ %
Men's Furnishings	9.9-32.4	16.7	_____ %
Boys' and Teens'	1.2-50.4	5.7	_____ %
Men's and Boys' Shoes	.8- 8.4	3.2	_____ %
Women's Wear	14.8-30.2	19.3	_____ %

LEASED DEPARTMENT SALES AS A PERCENT OF TOTAL FIRM SALES

Leased Department	Range of Common Experience	Median
Shoes	4.4-11.1	7.4
Women's Wear	NA	NA
Tuxedo Rental	1.6- 5.9	4.1
Miscellaneous* firm sales	.6-11.3	4.3
Overall Total	4.4-11.9	6.9

*Miscellaneous leased departments include hobby shops, plants, hats, men's hairpiece, beauty and barber, jewelry, luggage, and ski and sports equipment shops.

ALL FIRMS OPERATING EXPERIENCES

1987 MERCHANDISING AND PRODUCTIVITY DATA

	ALL FIRMS (157 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (77 Firms)		FIRMS HANDLING WOMEN'S WEAR (80 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
SALES DATA							
Increase in total net sales from last year	(2.0)- 9.7	3.2	____ %	(1.5)- 11.2	2.9	(2.5)- 9.1	3.4
Sales per square foot of total store area in dollars	93.9 -214.0	129.2	_____	91.3 -212.9	123.8	96.4 -214.0	150.2
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	8.3 - 11.2	9.5	_____	8.3 - 11.1	9.5	8.2 - 11.5	9.5
Advertising percent of net sales excluding leased departments	2.3 - 4.3	3.3	_____	2.6 - 4.5	3.6	2.2 - 3.7	3.0
MERCHANDISING DATA							
Annual stock turn, number of times at retail	1.5 - 2.2	1.9	_____	1.3 - 2.2	1.7	1.5 - 2.4	1.9
Transportation in charges on goods purchased as a percent of total sales	.6 - 1.2	.9	_____	.3 - 1.3	1.0	.7 - 1.2	.9
Beginning 1987 inventory as a percent of 1986 sales	18.8 - 31.7	24.8	_____	20.0 - 33.9	28.3	16.6 - 28.8	21.5
Ending 1987 inventory as a percent of 1987 sales	18.4 - 33.3	25.1	_____	19.2 - 36.7	26.0	18.0 - 29.2	23.1
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.2 - 3.1	2.0	_____	1.2 - 3.2	2.0	1.0 - 2.9	2.0
Net alterations cost, percent of men's clothing sales	4.3 - 8.1	6.1	_____	3.7 - 6.7	5.1	5.3 - 8.8	6.6
Income from alterations, percent of net sales excluding leased departments	.3 - .9	.5	_____	.3 - .8	.5	.2 - .9	.5
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased departments sales	12.3 - 30.1	15.2	_____	13.0 - 38.9	32.7	12.1 - 17.1	14.9
Cash discounts earned as % of net sales	.3 - 1.0	.6	_____	.3 - .5	.4	.7 - 1.4	1.0
Net profit on net sales	.8 - 6.2	2.8	_____	1.1 - 6.6	3.4	.4 - 5.7	2.3
Net profit on net worth	2.8 - 26.3	12.5	_____	4.4 - 21.1	13.5	1.4 - 29.1	11.0
Net profit on net working capital	1.9 - 20.0	10.0	_____	2.8 - 17.2	10.7	< 1 - 29.6	8.8

ALL FIRMS OPERATING EXPERIENCES

1987 PERCENTAGE DISTRIBUTION OF TOTAL SALES BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (72 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (34 Firms)		FIRMS HANDLING WOMEN'S WEAR (38 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	10.9-26.1	17.2	____%	10.9-29.6	20.9	10.7-21.1	14.5
040 Men's Coats	1.1- 3.2	1.9	_____	1.0- 3.9	1.9	1.2- 3.0	2.0
060 Sport Coats	7.9-13.7	11.5	_____	9.2-16.0	12.3	7.3-12.6	9.9
080 Dress Slacks	5.6-10.9	8.3	_____	7.9-13.4	8.8	4.3- 9.9	7.2
Total Men's Clothing	27.1-52.3	41.8	_____	29.4-55.3	44.4	26.3-48.7	34.9
MEN'S SPORTSWEAR							
100 Sport Shirts	4.0-10.1	6.8	_____	5.1-13.0	9.1	3.8- 8.5	5.4
130 Sweaters	2.8- 5.8	4.1	_____	3.1- 7.6	5.6	2.6- 4.6	3.6
150 Actionwear	.8- 3.7	1.7	_____	.8- 5.2	1.8	.8- 2.7	1.6
180 Casual Slacks	1.9- 5.5	3.9	_____	3.4- 5.7	4.4	1.6- 5.2	2.9
200 Jeans	1.4- 5.1	2.5	_____	1.9- 6.3	3.7	1.1- 2.7	1.8
220 Jackets & Heavy Outerwear	1.7- 4.8	2.8	_____	2.2- 5.3	3.5	1.4- 4.0	2.3
240 Coordinated Leisurewear	.3- 1.6	.8	_____	.4- 1.5	.7	.2- 1.8	.9
Total Men's Sportswear	14.2-31.0	21.1	_____	17.9-36.1	25.8	11.5-25.5	18.3
MEN'S FURNISHINGS							
260 Dress Shirts	5.6- 8.4	7.2	_____	6.2- 9.4	7.7	4.4- 7.5	6.7
290 Neckwear	3.1- 5.9	4.5	_____	3.4- 6.1	4.6	3.0- 5.7	4.5
300 Hosiery	.8- 1.6	1.1	_____	1.0- 2.0	1.4	.7- 1.4	.9
310 Men's Belts	.7- 1.3	1.0	_____	.8- 1.6	1.2	.6- 1.2	.8
320 Men's Accessories	1.3- 3.1	1.8	_____	1.0- 3.2	1.6	1.3- 2.9	1.9
340 Underwear	.5- 1.7	1.1	_____	1.0- 2.3	1.6	.5- 1.3	.6
360 Sleepwear	.3- .8	.6	_____	.4- 1.3	.6	.3- .8	.5
380 Men's Headwear	.3- .8	.5	_____	.4- .9	.8	.2- .6	.4
Total Men's Furnishings	15.0-21.7	18.4	_____	16.2-23.9	21.2	12.8-19.5	16.4
BOYS' AND TEENS'							
400–440 Clothing	.5- 8.2	1.5	_____	NA	NA	.7- 9.5	1.7
450–510 Sportswear	.7-11.2	3.3	_____	NA	NA	.3- 5.1	2.1
520–560 Furnishings	.2- 2.0	1.3	_____	NA	NA	.1- 2.3	1.3
Total Boys' and Teens'	1.6- 8.2	4.0	_____	1.7- 6.6	4.5	1.5- 9.7	3.4
MEN'S AND BOYS' SHOES							
570–595	3.1- 8.0	4.9	_____	3.0- 9.3	5.1	3.1- 5.7	4.7
WOMEN'S WEAR							
600–699 Misses	14.7-30.0	21.3	_____	NA	NA	14.7-30.0	21.3
700–773 Junior	9.6-18.2	11.0	_____	NA	NA	9.6-18.2	11.0
Total Women's Wear	10.7-34.3	17.3	_____	NA	NA	10.7-34.3	17.3
WESTERN WEAR							
810–890	.4-18.0	5.9	_____	.4-16.1	3.2	NA	NA
OVERALL TOTAL		100.0	_____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1987 PERCENTAGE DISTRIBUTION OF SALES WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (72 Firms) Range of Common Experience	ALL FIRMS (72 Firms) Median Firm	YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (34 Firms) Range of Common Experience	FIRMS HANDLING MEN'S WEAR ONLY (34 Firms) Median Firm	FIRMS HANDLING WOMEN'S WEAR (38 Firms) Range of Common Experience	FIRMS HANDLING WOMEN'S WEAR (38 Firms) Median Firm
MEN'S CLOTHING							
010 Men's Suits	36.7-49.9	44.6	____%	32.7-52.9	46.0	38.4-49.4	44.4
040 Men's Coats	3.7- 8.1	5.1	_____	3.0- 6.6	4.1	4.5- 9.0	5.8
060 Sport Coats	25.1-32.3	28.4	_____	23.9-33.0	28.2	26.2-32.3	28.4
080 Dress Slacks	15.1-27.4	20.5	_____	15.6-31.1	21.3	14.2-26.3	20.0
Total Men's Clothing		100.0	_____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	26.9-42.1	35.0	____%	28.9-39.9	35.0	26.3-43.3	34.8
130 Sweaters	15.0-26.9	20.7	_____	17.7-24.0	21.5	13.1-27.3	19.0
150 Actionwear	5.3-12.4	7.9	_____	3.6-13.3	7.3	6.4-11.8	7.9
180 Casual Slacks	12.8-22.5	15.5	_____	10.7-21.5	15.1	13.5-23.4	19.4
200 Jeans	5.5-13.4	10.7	_____	6.1-13.7	12.0	4.0-12.2	7.8
220 Jackets & Heavy Outerwear	10.3-17.8	13.0	_____	10.3-18.8	12.9	10.6-17.8	13.1
240 Coordinated Leisurewear	1.7- 4.5	3.1	_____	2.0- 4.1	2.9	.8-10.1	3.2
Total Men's Sportswear		100.0	_____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	34.9-45.5	38.4	____%	36.9-51.2	38.5	31.8-41.9	37.7
290 Neckwear	19.7-32.3	27.1	_____	18.5-31.2	24.2	20.2-32.8	27.3
300 Hosiery	4.7- 8.7	6.3	_____	4.7- 9.3	6.5	4.6- 8.7	5.5
310 Men's Belts	4.3- 6.8	5.7	_____	4.2- 6.8	5.9	4.3- 6.8	5.6
320 Men's Accessories	7.3-16.2	9.8	_____	5.4-14.2	8.1	8.8-17.5	11.3
340 Underwear	3.0-10.0	6.0	_____	4.9-11.7	7.4	2.8- 8.5	4.1
360 Sleepwear	1.9- 4.9	3.1	_____	2.1- 5.9	3.0	1.8- 4.5	3.1
380 Men's Headwear	1.7- 4.2	2.9	_____	2.2- 4.5	3.6	1.3- 4.0	2.4
Total Men's Furnishings		100.0	_____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES

1987 PERCENTAGE DISTRIBUTION OF AVERAGE INVENTORY WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (48 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (18 Firms)		FIRMS HANDLING WOMEN'S WEAR (30 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	39.9-49.5	45.2	____ %	39.2-53.7	46.3	40.4-47.7	45.1
040 Men's Coats	3.0- 6.3	5.0	_____	2.5- 5.6	4.1	3.7- 6.7	5.4
060 Sport Coats	26.9-35.6	31.5	_____	26.3-37.5	33.7	27.0-34.6	30.8
080 Dress Slacks	13.0-23.5	16.5	_____	11.5-25.0	17.2	14.0-23.5	16.4
Total Men's Clothing		100.0	_____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	22.7-37.8	31.0	____ %	23.5-39.7	30.1	18.5-38.8	32.4
130 Sweaters	13.2-27.9	20.8	_____	17.1-30.9	21.8	12.5-27.7	18.4
150 Actionwear	4.4-13.0	7.2	_____	1.6-13.8	5.6	4.7-14.1	7.5
180 Casual Slacks	13.9-28.6	18.4	_____	11.8-23.6	15.6	14.0-28.8	19.0
200 Jeans	6.1-17.5	13.4	_____	10.0-26.7	15.0	5.2-14.4	10.0
220 Jackets & Heavy Outerwear	11.5-20.0	15.8	_____	12.1-22.2	17.1	11.0-19.7	14.6
240 Coordinated Leisurewear	1.1- 5.0	3.1	_____	1.1- 2.7	1.9	2.0- 6.9	4.2
Total Men's Sportswear		100.0	_____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	36.0-46.8	41.3	____ %	36.0-48.8	42.2	35.3-45.3	40.6
290 Neckwear	12.7-26.3	19.8	_____	10.3-26.7	14.1	14.1-26.5	22.3
300 Hosiery	3.8- 7.8	4.8	_____	3.9- 7.9	4.8	3.8- 7.7	4.8
310 Men's Belts	4.8- 8.1	6.0	_____	4.4- 8.5	5.9	4.8- 7.7	6.1
320 Men's Accessories	10.1-19.1	12.5	_____	7.7-16.5	10.4	10.4-22.9	14.6
340 Underwear	3.7- 9.9	8.2	_____	1.8-18.3	9.7	3.7-10.0	7.4
360 Sleepwear	2.5- 5.7	3.2	_____	2.5- 6.8	3.8	2.6- 5.3	3.1
380 Men's Headwear	2.2- 6.0	3.4	_____	3.2- 6.3	4.6	1.0- 5.5	2.9
Total Men's Furnishings		100.0	_____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES
PERCENTAGE INCREASE OR (DECREASE) IN SALES BY MERCHANDISE CLASSIFICATION FROM 1986 TO 1987*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (63 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (27 Firms)		FIRMS HANDLING WOMEN'S WEAR (36 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	1.6 - 15.7	6.0	____%	(.5)- 14.2	4.6	2.4 - 17.1	6.9
040 Men's Coats	(19.0)- 6.3	(7.1)	_____	(24.4)- 5.6	(6.8)	(14.5)- 8.3	(7.1)
060 Sport Coats	(9.4)- 5.5	(5.0)	_____	(11.6)- 3.0	(7.2)	(8.2)- 7.0	(3.7)
080 Dress Slacks	(6.0)- 8.0	1.2	_____	(7.3)- 8.8	2.1	(5.2)- 6.0	1.0
Total Men's Clothing	(3.3)- 11.9	.3	_____	(5.6)- 12.7	(1.1)	(2.3)- 11.9	2.2
MEN'S SPORTSWEAR							
100 Sport Shirts	(7.7)- 6.9	(2.9)	_____	(7.6)- 7.9	(2.9)	(7.7)- 6.8	(2.7)
130 Sweaters	(1.4)- 17.5	7.3	_____	(.7)- 28.9	7.8	(3.6)- 11.6	7.3
150 Actionwear	(30.8)- 28.2	6.2	_____	(37.7)- 21.9	(3.6)	(30.8)- 35.9	7.1
180 Casual Slacks	(8.2)- 11.7	2.3	_____	(2.8)- 14.8	(2.7)	(9.7)- 9.6	1.6
200 Jeans	(22.8)- 10.9	(4.3)	_____	(17.9)- 17.9	2.5	(41.2)- (.8)	(16.5)
220 Jackets & Heavy Outerwear	(10.6)- 15.5	2.6	_____	(12.5)- 34.5	(2.8)	(11.1)- 15.2	(6.1)
240 Coordinated Leisurewear	(55.5)- 72.0	14.4	_____	(66.6)- 34.9	(39.1)	(35.3)- 92.3	16.5
Total Men's Sportswear	(3.0)- 12.8	1.2	_____	(3.5)- 16.5	1.1	(3.2)- 9.0	4.6
MEN'S FURNISHINGS							
260 Dress Shirts	(4.4)- 10.3	(.7)	_____	(4.8)- 6.4	(1.3)	(4.0)- 12.7	.2
290 Neckwear	.2 - 13.0	6.2	_____	.2 - 14.9	5.7	2.0- 13.0	6.2
300 Hosiery	(7.6)- 13.1	4.3	_____	(8.4)- 18.3	.3	(2.5)- 12.7	4.9
310 Men's Belts	(3.8)- 21.8	4.9	_____	(5.3)- 19.5	(3.2)	(3.8)- 22.4	6.2
320 Men's Accessories	(10.7)- 8.3	.4	_____	(10.6)- 14.0	5.9	(13.6)- 6.6	(3.1)
340 Underwear	(14.6)- 5.0	(1.8)	_____	(17.3)- 6.2	(4.8)	(10.9)- 5.0	.3
360 Sleepwear	(22.9)- 3.2	(5.1)	_____	(25.9)- .6	(8.6)	(19.5)- 5.2	(1.6)
380 Men's Headwear	(26.4)- (.7)	(15.4)	_____	(25.6)- 5.2	(12.9)	(26.4)- (4.2)	(18.3)
Total Men's Furnishings	(2.7)- 10.2	2.5	_____	(1.4)- 8.0	2.1	(3.0)- 12.5	4.3
BOYS' AND TEENS'							
400–440 Clothing	(22.5)- 71.7	14.0	_____	NA	NA	(41.5)- 38.9	20.1
450–510 Sportswear	(58.0)- 28.3	(8.5)	_____	NA	NA	(85.2)- 17.8	(19.3)
520–560 Furnishings	(50.9)- 33.9	2.1	_____	NA	NA	(86.5)- 44.6	2.1
Total Boys' and Teens'	(33.2)- 11.9	(9.9)	_____	(24.2)- 39.5	(5.8)	(79.7)- 13.1	(17.3)
MEN'S AND BOYS' SHOES							
570–595	(11.9)- 11.3	(2.5)	_____	(22.6)- (.3)	(7.2)	(8.8)- 15.8	7.0
WOMEN'S WEAR							
600–699 Misses	(4.9)- 28.1	8.0	_____	NA	NA	(4.9)- 28.1	8.0
700–773 Junior	(4.8)- 17.3	(.5)	_____	NA	NA	(4.8)- 17.3	(.5)
Total Women's Wear	(8.4)- 8.2	2.3	_____	NA	NA	(8.4)- 8.2	2.3
WESTERN WEAR							
810-890	NA	NA	_____	NA	NA	NA	NA
OVERALL TOTAL	(1.5)- 9.3	2.3	_____	(2.1)- 7.2	1.8	(.9) - 11.2	2.7

*For each merchandise classification, only those stores reporting that classification are included in the tabulation. Overall total reflects median experience of firms providing detailed data by class only.

ALL FIRMS OPERATING EXPERIENCES

1987 MARKDOWNS AS A PERCENTAGE OF MERCHANDISE CLASSIFICATION SALES*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (53 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (22 Firms)		FIRMS HANDLING WOMEN'S WEAR (31 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	11.8-19.8	15.2	____ %	12.6-19.6	15.0	11.4-20.8	15.3
040 Men's Coats	12.4-26.7	18.6	____	12.6-25.5	19.9	12.2-29.1	18.1
060 Sport Coats	12.5-22.2	18.5	____	12.7-22.2	15.8	12.2-24.2	18.8
080 Dress Slacks	8.9-17.8	12.8	____	9.7-18.9	12.9	8.6-16.3	12.7
Total Men's Clothing	12.0-20.9	16.0	____	12.3-20.3	15.4	11.7-21.6	16.2
MEN'S SPORTSWEAR							
100 Sport Shirts	14.8-23.7	17.7	____	14.1-23.7	17.7	15.2-23.2	17.6
130 Sweaters	13.1-24.4	16.5	____	10.3-21.5	15.8	13.4-25.3	16.5
150 Actionwear	14.8-27.0	19.9	____	17.3-35.2	23.9	11.5-24.0	17.7
180 Casual Slacks	10.3-20.7	15.0	____	11.3-23.4	16.5	7.6-20.8	15.0
200 Jeans	7.4-19.1	13.1	____	11.2-18.7	14.2	5.3-38.4	8.6
220 Jackets & Heavy Outerwear	14.9-24.9	20.0	____	13.8-21.0	18.5	15.6-31.5	22.0
240 Coordinated Leisurewear	16.7-36.9	21.8	____	13.0-36.9	27.4	12.0-51.6	21.1
Total Men's Sportswear	13.3-23.0	17.2	____	13.8-20.0	17.1	13.2-23.9	17.3
MEN'S FURNISHINGS							
260 Dress Shirts	7.8-15.7	10.6	____	9.2-18.2	11.0	7.6-13.7	9.2
290 Neckwear	6.3-13.1	9.9	____	8.5-13.1	10.2	5.1-13.3	8.0
300 Hosiery	3.0- 8.4	5.8	____	1.8- 8.6	5.3	3.3- 8.9	6.0
310 Men's Belts	1.8-10.6	3.8	____	1.8- 9.5	3.6	1.8-12.5	4.5
320 Men's Accessories	3.7-11.6	7.5	____	2.7- 8.1	4.5	4.3-13.1	8.7
340 Underwear	3.3- 9.1	5.1	____	3.1- 7.0	4.6	3.5- 9.6	7.5
360 Sleepwear	5.5-16.4	8.0	____	5.4-17.0	7.1	5.5-16.4	8.9
380 Men's Headwear	9.7-24.3	16.7	____	6.2-18.0	14.3	11.6-26.5	22.7
Total Men's Furnishings	6.7-11.3	9.4	____	6.8-11.1	9.3	6.5-11.6	9.9
BOYS' AND TEENS'							
400–440 Clothing	8.6-31.8	23.3	____	NA	NA	5.4-30.5	23.3
450–510 Sportswear	14.5-37.2	25.3	____	NA	NA	14.6-44.9	25.3
520–560 Furnishings	5.0-29.3	9.3	____	NA	NA	4.8-43.0	11.9
Total Boys' and Teens'	14.1-31.8	21.9	____	15.4-33.0	22.6	9.4-31.8	21.9
MEN'S AND BOYS' SHOES							
570–595	7.8-22.0	14.5	____	10.1-26.5	18.9	7.4-20.4	13.0
WOMEN'S WEAR							
600–699 Misses	14.9-25.0	21.0	____	NA	NA	14.9-25.0	21.0
700–773 Junior	25.5-48.2	39.1	____	NA	NA	25.5-48.2	39.1
Total Women's Wear	17.9-33.0	25.0	____	NA	NA	17.9-33.0	25.0
WESTERN WEAR							
810–890	NA	15.3	____	NA	NA	NA	15.3
OVERALL TOTAL	12.8-21.7	16.4	____	12.4-21.7	15.6	13.1-22.2	16.9

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1987 AVERAGE INVENTORY BY MERCHANDISE CLASSIFICATION AS A PERCENTAGE OF TOTAL AVERAGE INVENTORY*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (50 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (20 Firms)		FIRMS HANDLING WOMEN'S WEAR (30 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	13.3-27.0	21.5	____%	17.2-28.3	26.5	12.5-23.8	17.7
040 Men's Coats	1.2- 3.2	1.7	____	1.2- 3.0	1.8	1.2- 3.2	1.7
060 Sport Coats	8.7-16.9	13.2	____	12.6-19.4	15.2	7.2-16.6	11.5
080 Dress Slacks	5.3-10.0	7.5	____	6.3-11.4	9.5	4.9- 9.1	7.3
Total Men's Clothing	32.1-55.9	46.5	____	40.3-60.4	54.3	25.3-52.0	39.3
MEN'S SPORTSWEAR							
100 Sport Shirts	3.0- 7.0	4.1	____	3.3- 8.0	5.3	2.5- 6.7	3.8
130 Sweaters	2.3- 4.1	3.0	____	3.0- 5.8	4.2	2.1- 3.7	2.7
150 Actionwear	.6- 2.2	1.1	____	.3- 2.2	.8	.6- 2.3	1.2
180 Casual Slacks	2.2- 4.6	3.2	____	2.8- 4.5	3.5	1.8- 5.6	2.7
200 Jeans	1.4- 3.9	2.7	____	1.9- 4.2	3.6	1.4- 3.0	1.8
220 Jackets & Heavy Outerwear	1.2- 4.2	2.4	____	1.6- 4.7	2.8	1.1- 4.2	2.0
240 Coordinated Leisurewear	.2- 1.4	.7	____	.1- .6	.2	.4- 1.7	1.1
Total Men's Sportswear	10.7-21.4	18.0	____	13.1-25.2	18.3	9.1-20.1	18.0
MEN'S FURNISHINGS							
260 Dress Shirts	5.3- 9.1	7.7	____	7.4-10.8	8.0	5.1- 8.4	7.1
290 Neckwear	2.1- 4.8	3.3	____	2.1- 5.2	2.5	2.2- 4.7	3.5
300 Hosiery	.6- 1.2	.9	____	.7- 1.6	1.1	.6- 1.1	.9
310 Men's Belts	.8- 1.4	.9	____	.8- 2.2	1.3	.8- 1.3	.9
320 Men's Accessories	1.7- 3.6	2.4	____	1.3- 3.2	2.2	2.0- 3.8	2.5
340 Underwear	.7- 1.9	1.4	____	.3- 3.8	2.0	.7- 1.5	1.3
360 Sleepwear	.5- .7	.6	____	.4- 1.5	.6	.5- .7	.5
380 Men's Headwear	.3- 1.0	.6	____	.5- 1.5	.9	.2- .8	.5
Total Men's Furnishings	13.7-20.8	17.4	____	12.6-26.1	19.8	13.7-19.7	17.1
BOYS' AND TEENS'							
400–440 Clothing	.7- 8.6	1.6	____	NA	NA	1.6- 8.6	4.1
450–510 Sportswear	2.4-10.2	4.9	____	NA	NA	2.8-10.2	5.4
520–560 Furnishings	.8- 2.9	1.4	____	NA	NA	1.2- 2.9	1.7
Total Boys' and Teens'	2.9-11.3	5.3	____	3.5-15.3	5.3	.1- 6.1	2.1
MEN'S AND BOYS' SHOES							
570–595	4.2- 9.5	6.0	____	4.4-14.0	5.7	4.0- 8.9	6.6
WOMEN'S WEAR							
600–699 Misses	10.1-29.6	17.9	____	NA	NA	10.1-29.6	17.9
700–773 Junior	9.0-14.7	10.3	____	NA	NA	9.0-14.7	10.3
Total Women's Wear	9.2-31.4	15.2	____	NA	NA	9.2-31.4	15.2
WESTERN WEAR							
810–890	NA	NA	____	NA	NA	NA	NA
OVERALL TOTAL		100.0	____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1987 INVENTORY TURNOVER BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (50 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (20 Firms)		FIRMS HANDLING WOMEN'S WEAR (30 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	1.2-2.0	1.6	____ %	.9-2.3	1.5	1.2-2.0	1.6
040 Men's Coats	1.1-1.9	1.4	_____	.7-2.7	1.1	1.3-1.9	1.4
060 Sport Coats	1.1-1.9	1.3	_____	.8-2.1	1.2	1.1-1.9	1.4
080 Dress Slacks	1.4-2.3	1.8	_____	1.2-2.5	1.9	1.5-2.2	1.8
Total Men's Clothing	1.3-2.0	1.6	_____	1.0-2.4	1.6	1.3-1.9	1.6
MEN'S SPORTSWEAR							
100 Sport Shirts	1.9-3.0	2.3	_____	1.8-2.8	2.1	1.9-3.1	2.5
130 Sweaters	1.6-2.9	2.5	_____	1.5-3.4	2.4	1.6-2.8	2.5
150 Actionwear	1.9-3.5	2.5	_____	1.1-3.9	1.9	2.0-3.4	2.5
180 Casual Slacks	1.6-2.7	2.1	_____	1.1-2.4	2.1	1.6-3.0	2.1
200 Jeans	1.1-2.5	1.7	_____	1.1-3.2	1.4	1.0-2.4	2.1
220 Jackets & Heavy Outerwear	1.2-3.4	1.9	_____	.9-2.7	2.0	1.4-3.5	1.9
240 Coordinated Leisurewear	1.3-3.8	1.8	_____	1.4-4.4	3.2	1.3-2.7	1.7
Total Men's Sportswear	1.7-2.7	2.3	_____	1.5-2.5	2.2	1.7-2.9	2.3
MEN'S FURNISHINGS							
260 Dress Shirts	1.1-2.5	1.6	_____	1.0-2.6	1.6	1.2-2.3	1.6
290 Neckwear	2.0-3.1	2.3	_____	2.0-3.8	2.6	1.9-2.7	2.3
300 Hosiery	1.5-2.5	1.9	_____	1.1-2.7	1.6	1.6-2.4	2.0
310 Men's Belts	1.0-2.1	1.4	_____	.8-2.4	1.0	1.1-2.0	1.5
320 Men's Accessories	1.2-1.9	1.5	_____	1.3-2.3	1.5	1.1-1.8	1.4
340 Underwear	.7-1.8	1.2	_____	.6-1.9	1.0	.8-1.9	1.3
360 Sleepwear	.9-2.1	1.5	_____	.9-2.1	1.9	.8-2.1	1.4
380 Men's Headwear	.8-1.8	1.1	_____	.7-2.0	.8	.9-1.8	1.2
Total Men's Furnishings	1.3-2.2	1.7	_____	1.2-2.4	1.6	1.4-2.1	1.7
BOYS' AND TEENS'							
400–440 Clothing	.8-1.8	1.5	_____	NA	NA	1.5-1.8	1.7
450–510 Sportswear	.9-2.2	1.3	_____	NA	NA	1.0-2.2	1.3
520–560 Furnishings	.9-1.8	1.7	_____	NA	NA	1.5-1.8	1.7
Total Boys' and Teens'	1.4-2.3	1.6	_____	1.1-2.5	1.5	1.4-2.1	1.6
MEN'S AND BOYS' SHOES							
570–595	.9-1.7	1.2	_____	.9-1.6	1.2	.9-1.8	1.2
WOMEN'S WEAR							
600–699 Misses	2.0-3.0	2.3	_____	NA	NA	2.0-3.0	2.3
700–773 Junior	1.9-3.7	2.3	_____	NA	NA	1.9-3.7	2.3
Total Women's Wear	2.0-2.7	2.3	_____	NA	NA	2.0-2.7	2.3
WESTERN WEAR							
810–890	NA	NA	_____	NA	NA	NA	NA
OVERALL TOTAL	1.5-2.2	1.9	_____	1.3-2.2	1.7	1.5-2.2	1.9

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.
Inventory turnover is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

BEGINNING OF THE MONTH STOCK TO SALES RATIO

The following stock to sales ratios represent industry experiences for 1987. *Caution, however, should be exercised in using these figures as a guideline in projecting monthly inventory needs.* These industry ratios do not necessarily represent monthly inventory needs which will yield the highest inventory turnover and greatest profit.

ALL FIRMS OPERATING EXPENSES
1987 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	ALL FIRMS Distribution of Sales by Month (73 Firms)			ALL FIRMS Beginning of the Month Stock to Sales Ratio (67 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	5.1- 6.6	5.9	_____	5.6-11.4	7.7	_____
MARCH	5.5- 7.7	6.6	_____	5.1-11.2	7.7	_____
APRIL	6.9- 8.7	7.7	_____	5.0-10.1	7.5	_____
MAY	6.9- 8.8	7.6	_____	5.1-10.3	7.2	_____
JUNE	7.3- 9.1	8.5	_____	4.5- 8.9	6.5	_____
JULY	5.9- 8.1	6.8	_____	5.1-10.2	7.0	_____
AUGUST	5.6- 7.7	6.5	_____	5.2- 9.8	7.0	_____
SEPTEMBER	6.4- 8.4	7.2	_____	4.9-10.9	7.0	_____
OCTOBER	7.4- 9.3	8.5	_____	5.2-10.1	7.3	_____
NOVEMBER	8.0- 9.8	8.9	_____	5.3-10.4	7.4	_____
DECEMBER	15.0-18.9	16.6	_____	3.0- 5.1	3.9	_____
JANUARY	6.4- 8.3	7.4	_____	5.6- 1.0	7.3	_____
TOTAL		100.0%	100.0%			

1987 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	FIRMS HANDLING MEN'S WEAR ONLY						FIRMS HANDLING WOMEN'S WEAR			
	Distribution of Sales by Month (33 Firms)		Beginning of the Month Stock to Sales Ratio (29 Firms)		YOUR FIRM		Distribution of Sales by Month (40 Firms)		Beginning of the Month Stock to Sales Ratio (38 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Stock to Sales Ratio	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	5.1- 7.0	5.9	5.6-13.7	8.6	___ %	_____	5.0- 6.4	5.9	5.4-10.5	7.2
MARCH	5.1- 7.5	6.2	6.2-12.4	8.5	_____	_____	5.9- 7.8	6.8	4.5- 9.3	7.2
APRIL	7.1- 9.2	7.9	5.1-10.8	7.1	_____	_____	6.8- 8.4	7.5	5.0- 9.2	7.6
MAY	7.3- 9.5	7.8	4.7-10.3	7.6	_____	_____	6.6- 7.9	7.4	5.6-10.0	7.0
JUNE	7.4- 9.1	8.4	5.0- 9.8	6.7	_____	_____	7.3- 9.1	8.5	4.2- 8.7	6.4
JULY	5.9- 8.3	6.9	4.8-11.3	7.3	_____	_____	6.1- 8.1	6.7	5.1- 9.5	6.4
AUGUST	5.6- 7.4	6.4	5.0-13.1	7.0	_____	_____	5.7- 8.1	6.8	5.1- 8.9	7.0
SEPTEMBER	6.1- 7.2	6.7	5.4-12.7	7.8	_____	_____	6.8- 9.1	7.9	4.6- 9.0	6.0
OCTOBER	7.6- 9.5	8.7	4.9-11.0	6.8	_____	_____	7.3- 9.2	8.3	5.5- 9.5	7.4
NOVEMBER	8.2-10.1	8.9	4.4-11.0	7.3	_____	_____	7.7- 9.4	8.8	5.9-10.3	7.4
DECEMBER	15.1-18.9	16.7	3.1- 5.6	4.0	_____	_____	14.8-19.0	16.5	2.8- 4.8	3.8
JANUARY	5.5- 8.5	7.3	5.9-11.7	7.4	_____	_____	6.5- 8.1	7.4	5.4- 9.4	7.1
TOTAL		100.0%			100.0%			100.0%		

*The ratio of retail stock at beginning of the month to sales for the month.

HOW MEN'S WEAR FIRMS SPEND THEIR ADVERTISING DOLLARS

Advertising costs as a percent of net sales drifted downward to a median 3.3 percent in 1987 from 3.4 percent in 1986. Firms handling men's wear only dropped one-tenth of a point to a median 3.6 percent of net sales, and firms handling women's wear also spent fewer advertising dollars, declining from 3.3 percent in 1986 to 3.0 percent in 1987.

Over the last seven years, advertising expenditures as a percent of net sales have changed very little. However, an analysis of how men's wear firms spend their advertising dollars continues to show changes in the media mix being used to reach customers.

Total newspaper space expenditures made a modest gain to 41.0 percent of advertising dollars after a decline to 40.3 percent in 1986.

Use of radio time was reduced to 17.5 percent of total advertising expenditures, compared with 18.0 percent in 1986, 14.1 percent in 1985, and 21.1 percent in 1984.

Following a sharp decline in 1986 to 8.5 percent, TV time as a percent of total advertising expenditures edged up 1.2 percentage points to 9.7 percent in 1987. Firms handling men's wear only cut radio advertising from the 1986 experience of 25.2 percent to 17.6 percent of total advertising expenses in 1987. Firms handling women's wear used slightly more TV time in 1987, 15.8 percent of ad dollars compared with 15.0 percent in 1986.

In 1987, combined radio and TV time expenditures, as a percent of total advertising costs, were 27.2 percent; in 1986, this figure was 26.5 percent.

Direct mail expenditures regained some of the loss experienced in 1986, moving up 2 percentage points from 1986 to 12.0 percent of total advertising costs in 1987.

Dollars allocated to "other advertising costs" increased to 19.5 percent of all advertising expenditures, up 3.6 percentage points from 1986.

ALL FIRMS ADVERTISING EXPENDITURES AS A PERCENT OF TOTAL ADVERTISING EXPENSE

	ALL FIRMS (79 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (36 Firms)		FIRMS HANDLING WOMEN'S WEAR (43 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Total Newspaper Space	31.1-53.8	41.0	_____	36.2-58.2	47.3	29.3-50.8	33.2
Total Radio Time	5.1-27.0	17.5	_____	4.6-29.4	17.6	5.4-27.3	15.8
Total TV Time	2.2-19.5	9.7	_____	1.3-15.6	4.9	5.8-20.7	10.3
Direct Mail	5.9-22.9	12.0	_____	6.3-25.5	14.4	5.8-19.3	10.9
Advertising Payroll	5.1-16.0	9.7	_____	4.7-11.6	8.3	6.1-16.7	10.9
Other Advertising Costs	8.8-28.2	19.5	_____	7.7-26.2	14.3	11.2-29.3	21.3

ALL FIRMS

1987 COMPOSITE OPERATING STATEMENT

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL.")	ALL FIRMS (157 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (77 Firms)		FIRMS HANDLING WOMEN'S WEAR (80 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	18.4-33.3	25.1	____ %	19.2-36.7	26.0	18.0-29.2	23.1
2. Total cost of merchandise sold	52.0-59.4	55.8	_____	51.8-58.9	54.9	53.2-59.7	56.8
3. Gross margin, excluding leased department income and sales	40.6-48.0	44.2	_____	41.1-48.2	45.1	40.3-46.8	43.2
4. Income from leased departments	.8- 2.6	1.3	_____	1.8- 4.3	2.4	.7- 1.5	1.0
5. Gross margin, including income from leased departments, as a percent of total net sales	40.8-48.3	44.2	_____	41.1-48.4	45.1	40.3-48.2	43.5
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.7- 3.7	2.6	_____	1.8- 3.8	2.9	1.7- 3.3	2.4
b. All other workroom expenses	.1- .9	.3	_____	.1- 1.0	.3	.1- .8	.3
c. Less: Alteration Income	.3- .9	.5	_____	.3- .8	.5	.2- .9	.5
d. Net Alterations Costs (line a plus line b, minus line c)	1.2- 3.1	2.0	_____	1.2- 3.2	2.0	1.0- 2.9	2.0
7. 01 Payroll (total)	14.2-24.2	18.3	_____	15.2-24.3	19.5	13.8-24.7	17.6
a. Payroll of owners and officers	4.0- 8.2	5.8	_____	4.9- 8.9	6.9	3.7- 7.8	5.1
b. Selling payroll (includes commissions & "spiffs")	8.3-11.2	9.5	_____	8.3-11.1	9.5	8.2-11.5	9.5
c. Non-selling payroll (excludes workroom & advertising payroll)	1.9- 4.8	3.0	_____	2.0- 4.3	3.1	1.9- 5.4	3.0
8. 03 Advertising	2.3- 4.3	3.3	_____	2.6- 4.5	3.6	2.2- 3.7	3.0

9. 04	Taxes (total)	1.0- 2.3	2.0	———	1.5- 2.3	2.0	1.6- 2.4	2.0
	a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.2- .7	.5	———	.1- .7	.4	.3- .7	.5
	b. Social security and unemployment taxes	1.2- 1.8	1.6	———	1.2- 1.8	1.6	1.2- 1.8	1.5
10. 06	Supplies	1.6- 3.7	2.5	———	1.5- 4.2	2.5	1.7- 3.6	2.6
	a. Wrapping and packing supplies	.5- 1.3	.9	———	.5- 1.3	.8	.6- 1.3	.9
	b. Other supplies (cleaning, stationery)	.3- .9	.5	———	.2- 1.2	.6	.3- .8	.5
	c. Utilities (heat, light, water, sewer, etc.)	.8- 1.6	1.1	———	.8- 1.7	1.1	.8- 1.5	1.1
11. 07	Services Purchased (Total)	1.0- 4.1	2.1	———	.5- 2.6	1.2	1.0- 4.1	2.2
	a. Accounts receivable factoring charges	.3- 1.5	.8	———	NA	NA	.2- 1.5	.8
	b. Data processing/service bureau charges	.2- .9	.4	———	.1- .9	.4	.2- 1.0	.4
	c. Credit card service fees	.4- .9	.6	———	.3- .9	.5	.4- .9	.6
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.1- .8	.3	———	.1- .8	.3	.2- .7	.4
12. 08	Unclassified (cash shortages; want ads, dues & subscriptions, employee prizes, etc.)	.3- 1.3	.6	———	.3- 1.3	.6	.3- 1.2	.6
13. 09	Traveling	.4- 1.0	.6	———	.4- 1.0	.7	.4- 1.0	.6
14. 10	Communications	.4- .9	.6	———	.4- .9	.6	.4- .8	.6
15. 11	Pensions	.4- 2.1	.7	———	.4- 2.6	1.2	.3- 1.1	.5
16. 12	Insurance (total)	1.2- 2.6	1.9	———	1.2- 2.6	1.8	1.1- 2.8	1.9
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.6	1.2	———	.7- 1.6	1.1	.7- 1.7	1.2
	b. All other insurance premiums	.5- 1.0	.7	———	.5- 1.0	.7	.4- 1.1	.7
17. 13	Depreciation (total)	.7- 1.6	1.1	———	.5- 1.5	1.0	.8- 1.7	1.3
18. 14	Professional services	.2- .8	.4	———	.2- .7	.4	.2- .8	.4
19. 15	Donations	.1- .2	.1	———	.1- .2	.2	<.1- .3	.1
20. 16	Bad Debts	.1- .6	.2	———	.1- .4	.2	.1- .6	.4
21. 17	Equipment costs	.2- .7	.4	———	.2- .8	.4	.2- .6	.4
22. 20	Real property rentals	2.4- 5.8	4.1	———	2.3- 5.5	3.9	2.7- 6.2	4.3
23.	Total expenses	36.3-46.1	41.7	———	36.4-46.5	41.0	35.3-45.6	42.0
NET GAIN (Percent of total net sales, except as noted.)								
24.	Operating profit, including income from leased departments	.4- 6.5	2.7	———	1.1- 6.8	3.2	.2- 6.0	2.2
25.	a. Interest income	.4- 1.7	.9	———	.4- 1.7	.7	.4- 1.7	1.0
	b. Net other income	.1- .9	.3	———	.2- 1.3	.5	.1- .7	.3
	c. Interest expenses	.6- 2.2	1.4	———	.5- 2.4	1.5	.7- 2.1	1.3
	d. Net other expenses	.1- .7	.4	———	.2- .7	.4	.1- .8	.4
26.	Net profit, before Federal income taxes	1.2- 6.2	2.6	———	1.1- 6.6	3.4	.4- 5.7	2.3

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ALL FIRMS OPERATING EXPERIENCES

1987 MONTHLY SALES PUBLICITY RATIO

	ALL FIRMS Distribution of Sales by Month (73 Firms)			ALL FIRMS Publicity Cost as a Percent of Monthly Sales (65 Firms)			ALL FIRMS Distribution of Publicity Cost by Month (65 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	5.1- 6.6	5.9	____%	1.8-5.4	3.0	____%	3.6- 8.5	5.3	____%
MARCH	5.5- 7.7	6.6	____	2.4-4.4	3.3	____	4.2- 9.0	6.2	____
APRIL	6.9- 8.7	7.7	____	2.0-4.2	3.0	____	6.0- 9.7	7.7	____
MAY	6.9- 8.8	7.6	____	1.6-4.8	2.9	____	4.3-10.1	7.5	____
JUNE	7.3- 9.1	8.5	____	1.8-5.6	3.4	____	4.9- 9.7	7.1	____
JULY	5.9- 8.1	6.8	____	1.9-5.1	3.0	____	5.4-10.1	7.8	____
AUGUST	5.6- 7.7	6.5	____	2.0-5.2	3.2	____	4.3-8.8	7.1	____
SEPTEMBER	6.4- 8.4	7.2	____	2.5-5.0	3.4	____	5.1-10.0	7.7	____
OCTOBER	7.4- 9.3	8.5	____	2.4-5.3	3.8	____	6.3-11.4	8.1	____
NOVEMBER	8.0- 9.8	8.9	____	1.8-3.4	2.5	____	7.6-13.4	9.8	____
DECEMBER	15.0-18.9	16.6	____	2.5-5.2	3.6	____	8.8-16.6	13.3	____
JANUARY	6.4- 8.3	7.4	____	2.4-4.4	3.3	____	5.5-10.4	7.9	____
TOTAL		100.0%	100.0%					100.0%	100.0%

1987 MONTHLY SALES PUBLICITY RATIO

	FIRMS HANDLING MEN'S WEAR ONLY						YOUR FIRM			FIRMS HANDLING WOMEN'S WEAR					
	Distribution of Sales by Month (33 Firms)		Publicity Cost as a Percent of Monthly Sales (30 Firms)		Distribution of Publicity Cost by Month (30 Firms)					Distribution of Sales by Month (40 Firms)		Publicity Cost as a Percent of Monthly Sales (35 Firms)		Distribution of Publicity Cost by Month (35 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Publicity	Publicity % Sales	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	5.1- 7.0	5.9	2.5-6.5	3.3	3.3-10.8	5.2	____%	____%	____%	5.0- 6.4	5.9	1.9-4.8	3.1	3.6- 7.9	5.6
MARCH	5.1- 7.5	6.2	2.2- 7.0	3.6	3.8- 9.0	6.8	____	____	____	5.9- 7.8	6.8	1.5-4.4	2.7	4.4- 9.3	6.2
APRIL	7.1- 9.2	7.9	2.5- 4.3	3.2	5.5- 9.1	6.8	____	____	____	6.8- 8.4	7.5	2.2-4.5	3.3	6.4-10.1	8.0
MAY	7.3- 9.5	7.8	2.5-4.5	3.3	4.7- 9.8	7.5	____	____	____	6.6- 7.9	7.4	1.4-4.0	2.7	3.9-10.3	7.5
JUNE	7.4- 9.1	8.4	1.7-4.8	3.7	4.6- 9.6	7.0	____	____	____	7.3- 9.1	8.5	1.4-4.3	2.5	5.1-10.0	7.1
JULY	5.9- 8.3	6.9	6.6-7.9	4.0	5.5-11.4	8.9	____	____	____	6.1- 8.1	6.7	1.4-4.3	3.0	5.0- 9.3	7.3
AUGUST	5.6- 7.4	6.4	2.4-5.7	3.9	4.3-10.1	7.5	____	____	____	5.7- 8.1	6.8	1.6-4.7	2.4	3.8- 8.5	6.5
SEPTEMBER	6.1- 7.2	6.7	2.7-5.7	3.4	4.0- 9.1	6.8	____	____	____	6.8- 9.1	7.9	1.7-5.2	2.8	5.2-10.3	8.9
OCTOBER	7.6- 9.5	8.7	2.8-5.0	3.8	6.5-11.1	8.5	____	____	____	7.3- 9.2	8.3	2.3-5.0	3.2	5.8-11.4	7.9
NOVEMBER	8.2-10.1	8.9	2.6-5.3	4.0	6.3-13.9	10.2	____	____	____	7.7- 9.4	8.8	2.2-5.5	3.5	7.8-13.1	9.0
DECEMBER	15.1-18.9	16.7	1.9-3.9	2.5	8.5-17.6	12.4	____	____	____	14.8-19.0	16.5	1.5-3.2	2.4	8.9-16.8	13.5
JANUARY	5.5- 8.5	7.3	2.6-5.7	3.9	5.1- 9.2	7.1	____	____	____	6.5- 8.1	7.4	2.4-4.5	3.5	5.8-11.1	8.4
TOTAL		100.0%				100.0%					100%				100.0%

1987 REPORT BY FIRM VOLUME (Under $500,000)

Group I firms (under $300,000) bounced back from a 1986 median decline of 5.1 percent in sales volume, posting a 1.3 percent increase in sales volume for 1987. For the second year in a row, Group I firms turned in a better-than-industry average performance on net profit, before Federal income taxes, ending the year with a median 5.9 percent of sales, compared with 3.6 percent of sales in 1986 and 2.5 percent of sales in 1985. Total expenses increased marginally from a median 36.4 percent of sales in 1986 to 37.1 percent. Gross margin improved by 3.6 percentage points to 42.6 percent in 1987, compared with an overall industry average of 44.2 percent.

Group II firms ($300,000 to $499,999) reported a median 4.8 percent increase in sales volume, matching their 1986 increase. Total expenses continued to rise, reaching a median 40.0 percent of sales in 1987 from 37.0 percent in 1986, and 37.8 percent in 1985. Inventory turn for Group II firms moved from a median 1.7 times turn in 1986 to 2.0 turns in 1987, rising above the industry average turnover rate of 1.9.

COMPARISON OF 1986 AND 1987 KEY FIGURES

SALES VOLUME INCREASE

	GROUP	1987 Median	1986 Median	YOUR FIRM
I	(Under $300,000)	1.3%	(5.1)%	_____%
II	($300,000 to $499,999)	4.8%	4.8%	_____%

TOTAL EXPENSES

	GROUP	1987 Median	1986 Median	YOUR FIRM
I	(Under $300,000)	37.1%	36.4%	_____%
II	($300,000 to $499,999)	40.0%	37.0%	_____%

NET PROFIT

	GROUP	1987 Median	1986 Median	YOUR FIRM
I	(Under $300,000)	5.9%	3.6%	_____%
II	($300,000 to $499.999)	2.5%	4.2%	_____%

GROSS MARGIN

	GROUP	1987 Median	1986 Median	YOUR FIRM
I	(Under $300,000)	42.6%	39.0%	_____%
II	($300,000 to $499,999)	43.6%	40.9%	_____%

INVENTORY TURNOVER

	GROUP	1987 Median	1986 Median	YOUR FIRM
I	(Under $300,000)	1.5	1.6	_____
II	($300,000 to $499,999)	2.0	1.7	_____

1987 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

	GROUP	Range of Common Experience	Median
I	(Under $300,000)	NA	NA
II	($300,000 to $499,999)	NA	NA

1987 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	GROUP I FIRMS ANNUAL SALES under $300,000 (15 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (31 Firms)		YOUR FIRM
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)					
1. Ending inventory at cost	21.6-44.0	36.4	20.6 -32.4	26.4	_____%
2. Total cost of merchandise sold	55.8-70.1	59.6	50.8 -61.1	56.4	_____
3. Gross margin, excluding leased department income and sales	29.9-44.2	40.5	38.9 -49.2	43.6	_____
4. Income from leased departments	NA	NA	NA	NA	_____
5. Gross margin, including income from leased departments, as a percent of total net sales	29.9-44.2	42.6	38.9 -49.2	43.6	_____
Expense Div. No.*					
6. 00 Net Alteration Cost					
a. Alterations payroll	1.0- 4.1	1.2	1.1 - 3.8	2.2	_____
b. All other workroom expenses	.6- 2.3	1.1	.1 - 1.3	.5	_____
c. Less: Alteration Income	NA	NA	.3 - 1.1	.8	_____
d. Net Alterations Costs (line a plus line b, minus line c)	1.1- 2.5	1.4	.8 - 2.0	1.3	_____
7. 01 Payroll (total)	8.6-24.0	18.5	14.3 -23.4	19.3	_____
a. Payroll of owners and officers	2.0-11.1	8.0	5.7 - 9.8	7.2	_____
b. Selling payroll (includes commissions & "spiffs")	6.7-12.9	9.4	7.4 -10.0	9.3	_____
c. Non-selling payroll (excludes workroom & advertising payroll)	NA	NA	1.2 - 3.7	2.8	_____
8. 03 Advertising	2.6- 3.9	3.1	2.0 - 3.7	3.0	_____
9. 04 Taxes (total)	1.1- 1.8	1.3	1.5 - 2.3	1.9	_____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .7	.3	.1 - .7	.5	_____
b. Social security and unemployment taxes	.6- 1.6	1.2	1.2 - 1.8	1.6	_____
10. 06 Supplies	1.4- 4.3	2.5	1.6 - 3.9	2.7	_____
a. Wrapping and packing supplies	.8 - 1.7	1.2	.6 - 1.5	1.1	_____
b. Other supplies (cleaning, stationery)	.4- 1.5	1.0	.1 - .7	.5	_____
c. Utilities (heat, light, water, sewer, etc.)	1.3- 2.6	2.1	.9 - 1.7	1.2	_____
11. 07 Services Purchased (Total)	NA	2.1	.8 - 3.8	2.2	_____
a. Accounts receivable factoring charges	NA	NA	NA	NA	_____
b. Data processing/service bureau charges	NA	NA	.5 - 2.0	1.1	_____
c. Credit card service fees	.2- .8	.5	.3 - 1.1	.5	_____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc	.2- 1.1	.6	.1 - .7	.3	_____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- 1.4	.4	.5 - 1.3	.8	_____
13. 09 Traveling	.3- 1.0	.7	.4 - 1.2	.7	_____
14. 10 Communications	.4- 1.0	.5	.4 - .9	.5	_____
15. 11 Pensions	NA	NA	.7 - 3.0	2.1	_____
16. 12 Insurance (total)	1.3 - 3.8	2.3	1.3 - 3.0	2.2	_____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.8- 2.4	1.4	.7 - 1.8	1.4	_____
b. All other insurance premiums	.5- 1.3	.8	.6 - 1.2	.9	_____
17. 13 Depreciation (total)	.7- 1.4	.9	.5 - 1.9	1.1	_____
18. 14 Professional services	.3- 1.0	.5	.3 - .9	.6	_____
19. 15 Donations	.1- .7	.2	.1 - .3	.2	_____
20. 16 Bad Debts	.1- .4	.2	<.1 - .4	1	_____
21. 17 Equipment costs	.2- 1 1	.3	.1 - .6	.3	_____
22. 20 Real property rentals	1.7- 5.5	4.3	2.0 - 4.6	3.3	_____
23. Total expenses	25.1-44.2	37.1	33.9 -44.7	40.0	_____
NET GAIN (Percent of total net sales, except as noted.)					
24. Operating profit, including income from leased departments	2.1- 7.8	6.4	(1.1)- 8.7	3.5	_____
25. a. Interest income	.3- 2.7	.6	.2 - 1.3	.6	_____
b. Net other income	.1- 2.1	.6	.2 - 1.2	.6	_____
c. Interest expenses	.5- 3.0	1.2	.4 - 2.3	1.2	_____
d. Net other expenses	NA	NA	.2 - .5	.5	_____
26. Net profit, before Federal income taxes	.7- 6.7	5.9	.5 - 9.0	2.5	_____

OPERATING EXPERIENCES BY FIRM VOLUME

1987 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP I FIRMS ANNUAL SALES under $300,000 (15 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (31 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA					
Increase in total net sales from last year	(2.7)-14.9	1.3	.5- 11.5	4.8	____%
Sales per square foot of total store area in dollars	78.2 -111.6	94.6	85.0-130.6	107.6	____
SELLING AND ADVERTISING COST					
Selling payroll, percent of net sales excluding leased departments	6.7 -12.9	9.4	7.4- 10.0	9.3	____
Advertising percent of net sales excluding leased departments	2.6 - 3.9	3.1	2.0- 3.7	3.0	____
MERCHANDISING DATA					
Annual stock turn, number of times at retail	1.1 - 1.6	1.5	1.6- 3.0	2.0	____
Transportation in charges on goods purchased as a percent of net sales	.7 - 1.6	1.3	.7- 1.6	1.2	____
Beginning 1987 inventory as a percent of 1986 sales	24.2 -38.2	30.3	21.0- 29.2	26.3	____
Ending 1987 inventory as a percent of 1987 sales	21.6 -44.0	36.4	20.6- 32.4	26.4	____
ALTERATION DATA AND COST					
Net workroom cost, percent of net sales excluding leased departments	1.1 - 2.5	1.4	.8- 2.0	1.3	____
Net alterations cost, percent of men's clothing sales	3.0 -11.7	3.9	2.6- 5.6	4.0	____
Income from alterations, percent of net sales excluding leased departments	NA	NA	.3- 1.1	.8	____
PROFIT AND FINANCIAL DATA					
Income from leased departments, percent of leased department sales	NA	NA	NA	NA	____
Cash discounts earned as % of net sales	.3 - 1.2	.6	.3- 1.3	.6	____
Net profit on net sales	.7 - 6.7	5.9	.5- 9.0	2.5	____
Net profit on net worth	6.9 -38.6	23.3	2.8- 54.1	14.5	____
Net profit on net working capital	(.1)-33.1	12.7	.3- 22.8	8.2	____

1987 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES under $300,000 (15 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (30 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	1.1- 1.6	1.5	1.6 - 3.0	2.0	_____
Selling Area in Square Feet	1,250-2,300	1,700	2,000 -3,593	2,496	_____
Sales per square foot of selling area ($)	$88.5-155.6	$127.2	$109.3 -192.4	$157.3	_____
Cost of goods per square foot of selling area ($)	$51.6- 90.9	$ 79.2	$ 56.4 -108.0	$ 84.4	_____
Gross Margin per square foot of selling area ($)	$37.6- 62.0	$ 50.1	$ 45.7 - 85.2	$ 66.3	_____
Operating Expenses per square foot of selling area ($)	$33.2- 53.7	$ 44.9	$ 37.0 - 77.3	$ 63.3	_____
Operating profit per square foot of selling area ($)	$2.5- 9.9	$ 6.1	$(1.2)- 8.1	$ 4.9	_____
Total area selling and non selling in square feet	2,000-2,850	2,150	2,858 -4,625	3,742	_____
Sales per square foot of total area ($)	$78.2-111.6	$ 94.6	$ 85.0 -130.6	$107.6	_____
Cost of goods per square foot to total area ($)	$27.2- 58.0	$ 38.4	$ 42.8 - 72.4	$ 60.2	_____
Gross Margin per square foot of total area ($)	$30.4- 46.1	$ 37.7	$ 37.5 - 61.9	$ 46.1	_____
Operating Expenses per square foot of total area ($)	$21.3- 42.8	$ 32.7	$ 31.6 - 55.8	$ 42.4	_____
Operating profit per square foot of total area ($)	$1.7- 8.0	$ 5.0	$(.9)- 7.1	$ 3.5	_____

1987 REPORT BY FIRM VOLUME (Over $500,000)

Group IV firms ($1,000,000 to $3,499,999) reported a median sales volume increase of 3.5 percent for 1987, compared with 5.6 percent in 1986 and 1.1 percent in 1985. Total expenses for this Group were down five-tenths of a percentage point to a median 41.7 percent of sales in 1987, and net profit before taxes rose from a median 1.9 percent of sales in 1986 to 2.7 percent in 1987, following a 1.3 percent low in 1985.

Group III firms ($500,000 to $999,999) experienced a net profit before taxes increase of 1.2 percentage points to 3.5 percent of sales in 1987. This compares with a 2.3 percent of sales net profit in both 1985 and 1986. Group III firms fell below the industry median (41.7 percent of sales) by reducing total expenses from a median 42.0 percent of sales in 1986 to 40.0 percent in 1987.

Group V firms ($3,500,000 and over) showed a median sales increase of 3.2 percent in 1987 over 1986 sales, compared with a 2.5 percent increase in 1986 over 1985. Total expenses slipped to 45.1 percent in 1987 from the 1986 showing of 45.6 percent. This Group showed a median net profit before taxes of 1.8 percent of 1987 sales compared with their net profit experience of 1.4 percent.

COMPARISON OF 1986 AND 1987 KEY FIGURES

SALES VOLUME INCREASE

	GROUP	1987 Median	1986 Median	YOUR FIRM
III	($500,000 to $999,999)	2.2%	2.3%	_____%
IV	($1,000,000 to $3,499,999)	3.5%	5.6%	_____%
V	($3,500,000 and over)	3.2%	2.5%	_____%

TOTAL EXPENSES

	GROUP	1987 Median	1986 Median	YOUR FIRM
III	($500,000 to $999,999)	40.0%	42.0%	_____%
IV	($1,000,000 to $3,499,999)	41.7%	42.2%	_____%
V	($3,500,000 and over)	45.1%	45.6%	_____%

NET PROFIT

	GROUP	1987 Median	1986 Median	YOUR FIRM
III	($500,000 to $999,999)	3.5%	2.3%	_____%
IV	($1,000,000 to $3,499,999)	2.7%	1.9%	_____%
V	($3,500,000 and over)	1.8%	1.4%	_____%

1987 MERCHANDISING AND PRODUCTIVITY DATA

Group IV firms ($1,000,000 to $3,499,999) posted the best 1987 improvement in inventory turnover, increasing from a 2.0 times turn in 1986 to 2.2 turns in 1987, better than the industry median of 1.9 turns. Group IV firms also increased median sales per square foot of selling area by 11 percent, from $241 in 1986 to $268.40 in 1987. Median sales per square foot of total store area was up 9 percent in 1987 to $194.60 from $178.60 in 1986. In 1987, the median gross margin experience for this Group was 44.7 percent, compared with 45.2 percent in 1986 and 45.0 percent in 1985.

Group III firms ($500,000 to $999,999) reported a stock turn rate of 1.6 for 1987, an improvement over their 1986 showing of a 1.4 times turn. Group V firms ($3,500,000 and over) fluctuated slightly, moving from a median 1.7 times turn rate in 1986 to a 1.8 times turn in 1987. Both Groups improved gross margin only minimally. Group III firms moved down from a median 4.2 percent of sales in 1986 to 43.7 percent in 1987. Group IV firms exceeded the 1987 industry average with a median 46.3 percent gross margin, down one-tenth of a point from their 1986 experience.

For the third consecutive year, firms in Group III and Group V showed some improvement in sales per square foot of selling area. Group III firms increased this figure by only $3.20 per square foot to a median $145.80 per square foot in 1987. Group V firms bettered their 1986 performance by $16.60 per square foot to reach a median $254.40 in sales per square foot of selling area.

COMPARISON OF 1986 AND 1987 KEY FIGURES

GROSS MARGIN

	GROUP	1987 Median	1986 Median	YOUR FIRM
III	($500,000 to $999,999)	43.7%	44.2%	_____%
IV	($1,000,000 to $3,499,999)	44.7%	45.2%	_____%
V	($3,500,000 and over)	46.3%	46.4%	_____%

INVENTORY TURNOVER

	GROUP	1987 Median	1986 Median	YOUR FIRM
III	($500,000 to $999,999)	1.6	1.4	_____
IV	($1,000,000 to $3,499,999)	2.2	2.0	_____
V	($3,500,000 and over)	1.8	1.7	_____

1987 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

	GROUP	Range of Common Experience	Median
III	($500,000 to $999,999)	3.2-11.5	7.5%
IV	($1,000,000 to $3,499,999)	2.9-11.2	6.0%
V	($3,500,000 and over)	2.2-19.0	4.2%

1987 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (47 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (35 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		YOUR FIRM
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	19.6-37.9	26.7	15.3-27.5	21.1	18.0-27.1	21.8	____%
2. Total cost of merchandise sold	51.7-60.0	56.3	53.7-58.9	55.8	51.3-56.8	53.9	____
3. Gross margin, excluding leased department income and sales	40.0-48.3	43.7	41.1-46.3	44.2	43.2-48.8	46.1	____
4. Income from leased departments	NA	NA	.4- 4.6	.9	.8- 1.8	1.2	____
5. Gross margin, including income from leased departments, as a percent of total net sales	40.0-48.3	43.7	41.5-46.6	44.7	43.7-49.2	46.3	____
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.7- 3.1	2.1	2.1- 4.3	3.3	2.1- 3.6	2.9	____
b. All other workroom expenses	.1- 1.0	.3	.1- .8	.3	.1- .3	.2	____
c. Less: Alteration Income	.3- .7	.5	.3- 1.0	.6	.2- .6	.3	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.1- 2.8	1.8	1.3- 3.8	2.7	1.9- 3.3	2.5	____
7. 01 Payroll (total)	14.9-23.7	19.3	14.3-22.7	17.9	14.2-23.3	18.4	____
a. Payroll of owners and officers	5.1- 8.1	6.6	4.0- 8.1	6.0	2.5- 5.1	3.3	____
b. Selling payroll (includes commissions & "spiffs")	8.1-11.5	10.1	8.3-11.0	9.4	8.6-11.3	10.0	____
c. Non-selling payroll	1.7- 4.1	2.6	2.0- 3.6	2.5	3.1- 6.9	5.6	____
8. 03 Advertising	1.9- 4.1	3.2	2.4- 4.9	3.5	2.5- 4.4	3.3	____
9. 04 Taxes (total)	1.6- 2.4	2.0	1.7- 2.2	2.0	1.8- 2.5	2.2	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .9	.5	.2- .6	.5	.3- .6	.5	____
b. Social security and unemployment taxes	1.3- 1.9	1.6	1.2- 1.9	1.5	1.5- 1.9	1.7	____
10. 06 Supplies	1.5- 3.6	2.4	1.4- 3.4	2.3	1.7- 3.4	2.6	____
a. Wrapping and packing supplies	.5- 1.3	.8	.5- 1.1	.9	.5- 1.0	.8	____
b. Other supplies (cleaning, stationery)	.2- .8	.5	.3- 1.0	.4	.3- .9	.5	____
c. Utilities (heat, light, water, sewer, etc.)	.8- 1.4	1.1	.6- 1.3	.9	.9- 1.5	1.2	____
11. 07 Services Purchased (Total)	.5- 2.5	1.1	NA	2.2	NA	2.8	____
a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	____
b. Data processing/service bureau charges	.1- 1.0	.4	.2- .9	.5	.2- .6	.3	____
c. Credit card service fees	.3- .8	.5	.3- 1.0	.7	.5- .9	.8	____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.1- .8	.3	.2- .9	.3	.3- .8	.5	____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- 1.5	.6	.2- .9	.5	.4- 1.4	.7	____
13. 09 Traveling	.4- 1.2	.6	.4- 1.0	.8	.4- .7	.5	____
14. 10 Communications	.4- .9	.6	.4- .8	.7	.4- .8	.6	____
15. 11 Pensions	.3- 2.1	.8	.4- 1.6	.6	.2- 2.0	.5	____
16. 12 Insurance (total)	1.1- 2.6	1.9	1.0- 2.4	1.7	1.0- 2.5	1.6	____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.6	1.2	.6- 1.5	1.1	.7- 1.7	1.0	____
b. All other insurance premiums	.5- 1.0	.8	.4- .9	.7	.4- .9	.6	____
17. 13 Depreciation (total)	.5- 1.6	1.2	.7- 1.7	1.1	1.1- 1.7	1.4	____
18. 14 Professional services	.2- .8	.5	.2- .6	.4	.2- .6	.3	____
19. 15 Donations	<.1- .2	.1	.1- .2	.1	<.1- .3	.1	____
20. 16 Bad Debts	.1- .5	.2	.1- .8	.4	.2- .7	.4	____
21. 17 Equipment costs	.2- .7	.4	.2- .6	.4	.3- 1.1	.5	____
22. 20 Real property rentals	2.2- 6.3	3.5	.9- 5.1	4.1	4.2- 6.7	5.6	____
23. Total expenses	36.4-44.6	40.0	35.3-45.4	41.7	41.6-47.6	45.1	____
NET GAIN (Percent of total net sales, except as noted.)							
24. Operating profit, including income from leased departments	1.1- 6.9	4.5	(.1)- 5.7	2.5	.6- 3.9	2.0	____
25. a. Interest income	.4- 1.8	.8	.2- 1.7	1.0	.8- 1.8	1.4	____
b. Net other income	.2- 1.8	.4	.1- .4	.2	.2- .6	.4	____
c. Interest expenses	.8- 2.6	2.0	.5- 1.8	1.0	.7- 2.0	1.2	____
d. Net other expenses	.2- 1.2	.4	.1- .7	.4	.2- 1.0	.4	____
26. Net profit, before Federal income taxes	.2- 8.2	3.5	1.1- 5.0	2.7	.8- 4.1	1.8	____

OPERATING EXPERIENCES BY FIRM VOLUME

1987 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (47 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (35 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA							
Increase in total net sales from last year	(4.2)- 8.4	2.2	<.1- 7.6	3.5	(2.0)-14.1	3.2	____%
Sales per square foot of total store area in dollars	$84.9-197.9	$113.1	$133.9-271.2	$194.6	$148.1-252.2	$177.4	_____
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	8.1 -11.5	10.1	8.3 -11.0	9.4	8.6-11.3	9.6	_____
Advertising percent of net sales excluding leased departments	1.9 - 4.1	3.2	2.4 - 4.9	3.5	2.5- 4.4	3.3	_____
MERCHANDISING DATA							
Annual stock turn, number of times at retail	NA	NA	1.9 - 2.5	2.2	1.5- 2.2	1.8	_____
Transportation in charges on goods purchased as a percent of total sales	.6 - 1.4	1.1	.3 - 1.0	.7	.7- 1.0	.9	_____
Beginning 1987 inventory as a percent of 1986 sales	19.4 -35.9	27.5	16.2 -30.4	20.1	18.1-26.7	22.3	_____
Ending 1987 inventory as a percent of 1987 sales	19.6 -37.9	26.7	15.3 -27.5	21.1	18.0-27.1	21.8	_____
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.1 - 2.8	1.8	1.3 - 3.8	2.7	1.9- 3.3	2.5	_____
Net alterations cost, percent of men's clothing sales	4.2 - 7.1	6.2	4.6 - 8.6	6.4	5.6- 8.6	6.5	_____
Income from alterations, percent of net sales excluding leased departments	.3 - .7	.5	.3 - 1.0	.6	.2- .6	.3	_____
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased department sales	NA	NA	11.3- 19.5	13.9	12.3-17.7	15.0	_____
Cash discounts earned as % of net sales	.3 - 1.2	.6	.4 - 1.1	.6	.4- 1.0	.7	_____
Net profit on net sales	.2 - 8.2	3.5	1.1 - 5.0	2.7	.8- 4.1	1.8	_____
Net profit on net worth	(1.4)-22.2	13.2	4.8 -26.9	12.5	2.6-16.7	9.9	_____
Net profit on net working capital	(1.3)-16.9	9.0	4.7 -23.0	13.2	3.0-17.1	7.8	_____

1987 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (46 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (35 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (26 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	1.1- 1.9	1.6	1.9 - 2.5	2.2	1.5- 2.2	1.8	_____
Selling Area in Square Feet	2,925-6,262	4,725	4,200 - 9,000	6,000	15,837-30,450	21,700	_____
Sales per square foot of selling area ($)	$119.6-264.4	$145.8	$171.9 -355.2	$268.4	$184.7- 325.7	$254.4	_____
Cost of goods per square foot of selling area ($)	$ 67.5-149.9	$ 81.5	$ 97.6 - 192.3	$143.9	$ 99.8- 159.4	$129.2	_____
Gross Margin per square foot of selling area ($)	$ 48.7-108.4	$ 60.1	$ 75.3 - 151.0	$121.8	$ 83.2- 137.2	$112.3	_____
Operating Expenses per square foot of selling area ($)	$ 42.0- 90.3	$ 54.9	$ 70.3 - 142.5	$113.8	$ 84.2- 130.5	$107.1	_____
Operating profit per square foot of selling area ($)	$ 1.2- 16.5	$ 6.1	$ (.3)- 13.3	$ 4.0	$1.3- 7.4	$ 4.0	_____
Total area selling and non selling in square feet	3,858-8,200	6,079	5,850 -11,575	8,450	22,147-40,250	29,884	_____
Sales per square foot of total area ($)	$ 84.9-197.9	$113.1	$133.9 - 271.2	$194.6	$148.1- 252.2	$177.4	_____
Cost of goods per square foot to total area ($)	$ 47.6-110.4	$ 62.6	$ 74.6 - 155.9	$105.5	$ 81.0- 130.1	$ 88.1	_____
Gross Margin per square foot of total area ($)	$ 35.3- 93.0	$ 47.6	$ 58.3 - 109.4	$ 91.4	$ 66.1- 112.9	$ 80.1	_____
Operating Expenses per square foot of total area ($)	$ 33.0- 82.0	$ 43.5	$ 51.5 - 102.0	$ 80.4	$ 64.5- 105.1	$ 75.0	_____
Operating profit per square foot of total area ($)	$ 1.0- 10.7	$ 4.9	$ (.3)- 7.8	$ 2.9	$1.0- 5.6	$ 3.0	_____

1987 METROPOLITAN (TRADING) AREA SIZE OPERATING EXPERIENCES

Firms in metropolitan trading areas of over 1,000,000 people produced the most significant increase in total net sales from last year, rising 16 percent to a median 6.5 percent increase in 1987 over 1986 sales levels. However, the most dramatic improvement was reported by firms in population areas of less than 25,000, where 1987 sales increased by a median 3.7 percent, compared with only a median .9 percent increase in 1986 over 1985 levels.

Better than the industry average of a 2.8 net profit before Federal income taxes was reported by three metropolitan trading areas. In population areas of 25,000 to 49,999, the median net profit jumped from a 1986 experience of 2.4 percent to a 4.4 percent showing in 1987. Firms in metropolitan areas of 500,000 to 999,999 held net profit before taxes at the 1986 level of 3.6 percent; and firms in areas of less than 25,000 posted a 3.6 percent net profit for 1987, two-tenths of a point less than in 1986. Slight fluctuations downward were seen in trading areas of 50,000 to 99,999 and 1,000,000 and over. The median net profit before taxes for both groups was 2.5 percent in 1987. Population areas of 100,000 to 499,999 posted a median 2.3 percent net profit for 1987 compared with 2.0 percent for 1986.

Expenses as a percent of sales increased for firms in all but population areas of 50,000 to 99,999, except areas of 1,000,000 and over where median expenses remained static at 46.7 percent of sales. The largest expense increases were experienced in population areas of less than 25,000, and 25,000 to 49,999, with each rising 2.9 percentage points to 33.6 percent of sales and 39.9 percent of sales respectively.

1987 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Metropolitan Size	Range of Common Experience	Median
Less than 25,000	4.2- 9.8	6.7
25,000 to 49,999	4.8-21.5	9.6
50,000 to 99,999	2.3-22.5	6.3
100,000 to 499,999	2.6-10.3	4.0
500,000 to 999,999	1.5- 7.7	4.0
1,000,000 and over	1.5-14.6	3.5

1987 SALES PER SQUARE FOOT OF SELLING AND TOTAL AREA (in dollars)

	Selling Area		Total Area	
Metropolitan Size	Range of Common Experience	Median	Range of Common Experience	Median
Less than 25,000	$ 86-171	$123	$ 69-113	$ 95
25,000 to 49,999	$124-187	$143	$ 79-124	$108
50,000 to 99,999	$132-298	$198	$ 98-258	$152
100,000 to 499,999	$170-323	$221	$126-232	$184
500,000 to 999,999	$154-324	$222	$127-268	$173
1,000,000 and over	$218-322	$268	$132-246	$193

OPERATING EXPERIENCES BY METROPOLITAN (TRADING) AREA SIZE
1987 MERCHANDISING AND PRODUCTIVITY DATA

	POPULATION Less Than 25,000 (28 Firms)		POPULATION 25,000-49,999 (33 Firms)		POPULATION 50,000-99,999 (30 Firms)		POPULATION 100,000-499,999 (40 Firms)		POPULATION 500,000-999,999 (9 Firms)		POPULATION 1,000,000 and over (17 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(2.5)- 8.6	3.7	(2.1)- 8.2	3.0	(3.5)- 8.3	2.2	(1.6)- 9.6	5.3	(1.0)- 16.0	5.5	.9- 16.6	6.5	
Sales per square foot of total store area in dollars	$69.2 -112.6	$94.6	$79.4 -124.3	$108.0	$97.5 -257.9	$152.2	$126.0 -231.7	$184.3	$126.9 -268.3	$173.4	$131.7-246.0	$183.0	
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	5.9 - 11.5	9.3	8.1 - 11.8	10.1	7.8 - 11.3	9.3	8.3 - 11.1	9.5	9.5 - 12.0	10.4	8.6- 10.5	9.2	
Advertising percent of net sales excluding leased departments	1.9 - 3.7	2.8	2.4 - 3.7	3.3	2.0 - 5.0	2.8	2.7 - 4.8	3.5	3.3 - 5.1	4.0	2.4- 4.2	3.5	
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.0 - 1.6	1.5	1.1 - 2.5	1.6	1.9 - 3.0	2.1	1.9 - 2.4	2.1	1.6 - 1.8	1.7	1.5- 1.7	1.6	
Transportation in charges on goods purchased as a percent of total sales	1.2 - 1.7	1.5	.8 - 1.4	1.1	.9 - 1.2	1.1	.6 - 1.0	.7	.4 - 1.0	.8	.3- .9	.4	
Beginning 1987 inventory as a percent of 1986 sales	24.0 - 45.1	33.4	20.7 - 32.4	26.9	16.3 - 22.3	20.1	16.3 - 30.4	20.1	16.5 - 33.5	24.7	22.5- 31.3	28.7	
Ending 1987 inventory as a percent of 1986 sales	21.8 - 41.7	29.1	21.5 - 36.7	28.5	16.5 - 25.5	19.9	16.9 - 29.0	21.4	23.2 - 36.9	31.0	19.0- 27.6	23.8	
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	.8 - 1.8	1.2	.9 - 2.2	1.7	1.0 - 2.3	1.4	1.8 - 3.5	2.7	1.9 - 4.1	3.0	2.4- 4.1	3.2	
Net alterations cost, percent of men's clothing sales	3.2 - 6.8	5.6	3.0 - 6.1	4.3	4.0 - 8.7	6.0	5.4 - 10.2	7.5	5.1 - 7.1	5.9	4.6- 7.7	6.0	
Income from alterations, percent of net sales excluding leased departments	NA	NA	.2 - .7	.4	.2 - .8	.5	.3 - 1.0	.5	.4 - .7	.5	.2- 1.3	.8	
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	NA	NA	16.6 - 37.0	27.8	NA	NA	11.9 - 16.0	12.7	NA	NA	14.0- 17.1	15.4	
Cash discounts earned as % of net sales	.4 - 2.9	1.0	.4 - 1.6	.7	.3 - 1.0	.4	.4 - 1.0	.7	NA	NA	.3- .6	.4	
Net profit on net sales	.2 - 8.0	3.6	1.0 - 6.1	4.4	(.8)- 9.3	2.5	.4 - 4.9	2.3	1.1 - 6.6	3.6	1.5- 4.1	2.5	
Net profit on net worth	1.5 - 37.2	18.7	3.0 - 28.3	9.1	(1.9)- 33.3	12.2	.6 - 24.0	11.7	6.1 - 16.2	12.6	8.1- 16.6	14.1	
Net profit on networking capital	(.2)- 30.2	11.3	1.4 - 19.7	7.6	(5.3)- 33.5	8.4	.4 - 18.8	9.3	4.8 - 15.0	13.1	7.0- 16.7	12.5	

1987 COMPOSITE OPERATING STATEMENT BY METROPOLITAN (TRADING) AREA SIZE

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	POPULATION Less Than 25,000 (28 Firms)		POPULATION 25,000-49,999 (33 Firms)		POPULATION 50,000-99,999 (30 Firms)		POPULATION 100,000-499,999 (40 Firms)		POPULATION 500,000-999,999 (9 Firms)		POPULATION 1,000,000 and over (17 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	21.8-41.7	29.1	21.5-36.7	28.5	16.5 -25.5	19.6	16.9-29.0	21.4	23.2 -36.9	31.0	19.0-27.6	23.8	____%
2. Total cost of merchandise sold	56.8-66.0	61.3	53.8-59.1	56.9	53.5 -59.3	56.4	52.1-57.3	54.5	46.6 -52.9	49.4	50.9-54.2	52.3	_____
3. Gross margin, excluding leased department income and sales	34.0-43.2	38.7	40.9-46.2	43.1	40.7 -46.6	43.6	42.7-47.9	45.5	47.1 -53.5	50.6	45.8-49.1	47.7	_____
4. Income from leased departments	NA	NA	.6- 1.6	1.1	NA	NA	.7- 2.6	1.7	NA	NA	.5-3.3	1.2	_____
5. Gross margin, including income from leased departments, as a percent of total net sales	34.0-43.2	38.7	40.9-46.3	43.4	40.7 -46.6	43.6	42.9-48.4	45.8	47.3 -54.7	50.9	45.8-49.3	48.3	_____
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	1.2- 2.0	1.6	1.6- 2.4	1.7	1.3 - 2.8	2.0	2.4- 3.8	3.1	3.0 - 5.2	3.5	3.1- 5.2	3.7	_____
b. All other workroom expenses	.1- .9	.3	.1- 1.7	.4	.1 - .8	.3	.1- .9	.3	.2 - 1.1	.3	.1- .3	.1	_____
c. Less: Alteration Income	NA	NA	.2- .7	.4	.2 - .8	.5	.3- 1.0	.5	.4 - .7	.5	.2- 1.3	.8	_____
d. Net Alterations Costs (line a plus line b, minus line c)	.8- 1.8	1.2	.9- 2.2	1.7	1.0 - 2.3	1.4	1.8- 3.5	2.7	1.9 - 4.1	3.0	2.4- 4.1	3.2	_____
7. 01 Payroll (total)	10.8-23.2	17.3	14.2-25.0	19.4	15.2 -25.7	18.2	14.3-23.5	18.0	14.6 -25.8	21.1	13.9-24.2	19.7	_____
a. Payroll of owners and officers	3.9- 9.9	6.8	4.3- 9.4	6.8	4.7 - 8.0	5.6	3.8- 7.4	5.6	2.9 - 8.6	6.1	3.0- 6.9	5.8	_____
b. Selling payroll (includes commissions & "spiffs")	5.9-11.5	9.3	8.1-11.8	10.1	7.8 -11.3	9.3	8.3-11.1	9.5	9.5 -12.0	10.4	8.6-10.5	9.2	_____
c. Non-selling payroll (excludes workroom & advertising payroll)	1.0- 1.8	1.2	1.8- 3.8	2.5	2.7 - 6.4	3.3	2.2- 5.0	3.0	2.2 - 5.2	4.6	2.2- 6.8	4.8	_____
8. 03 Advertising	1.9- 3.7	2.8	2.4- 3.7	3.3	2.0 - 5.0	2.8	2.7- 4.8	3.5	3.3 - 5.1	4.0	2.4- 4.2	3.5	_____
9. 04 Taxes (total)	1.1- 2.3	1.7	1.7- 2.3	2.1	1.2 - 2.3	1.7	1.6- 2.3	2.0	1.8 - 2.5	2.1	1.9- 2.6	2.2	_____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .7	.5	.3- .7	.5	.1 - .8	.5	.2- .7	.5	.2 - .5	.5	.3- .6	.5	_____
b. Social security and unemployment taxes	1.0- 1.7	1.3	1.3- 1.8	1.6	1.0 - 1.7	1.4	1.4- 1.9	1.6	1.5 - 2.2	1.7	1.7- 1.9	1.8	_____

10. 06	Supplies	1.7- 4.7	3.0	1.9- 4.0	2.8	1.4 - 4.1	2.4	1.5- 3.2	2.1	1.9 - 4.9	3.3	1.6- 3.2	2.4	
	a. Wrapping and packing supplies	.6- 1.8	1.2	.8- 1.5	1.0	.4 - 1.3	.8	.5- 1.1	.7	.2 - 1.2	.8	.6- 1.1	.8	
	b. Other supplies (cleaning, stationery)	.3- 1.3	.6	.2- .7	.5	.3 - 1.3	.5	.2- .8	.4	.8 - 1.5	1.0	.2- .8	5	
	c. Utilities (heat, light, water, sewer, etc.)	.8- 1.7	1.3	.9- 1.8	1.2	.7 - 1.5	1.1	.8- 1.4	1.0	.9 - 2.2	1.5	.8- 1.4	1.1	
11. 07	Services Purchased (Total)	NA	2.1	NA	2.5	NA	1.7	1.3-3.7	2.2	.8 -2.0	1.2	1.2-2.7	1.8	
	a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	.6-1.2	.8	NA	NA	NA	NA	
	b. Data processing/service bureau charges	NA	NA	.3- 1.0	.4	.1 - 1.2	.4	.2- .9	.5	NA	NA	.1- .5	.4	
	c. Credit card service fees	.2- .8	.4	.3- .7	.5	.4 - .8	.5	.3- 1.0	.6	.8 - 1.2	1.0	.7- 1.3	.9	
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.1- .8	.3	.1- .6	.2	.2 - 1.0	.5	.2- .7	.3	<.1 - .9	.1	.5- .8	.6	
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3- 1.0	.6	.3- 1.3	.6	.3 - 1.5	.7	.3- 1.3	.5	.8 - 1.8	1.2	.3- 1.3	.6	
13. 09	Traveling	.3- 1.1	.5	.4- 1.0	.7	.3 - 1.2	.7	.3- 1.0	.6	.4- 2.3	.6	.4- 1.2	.5	
14. 10	Communications	.4- .8	.5	.3- 1.0	.6	.3 - .9	.6	.5- .9	.7	.4 - .9	.8	.4- .8	.6	
15. 11	Pensions	NA	NA	.5- 3.0	1.0	.1 - .8	.4	.4- 2.5	.7	.7 - 1.0	.8	.2- 2.3	1.6	
16. 12	Insurance (total)	1.2- 2.8	2.1	1.5- 2.7	2.0	1.0 - 2.7	1.8	1.0- 2.4	1.7	1.4 - 3.1	2.3	1.4- 2.7	2.1	
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.7	1.3	.9- 1.7	1.2	.6 - 1.6	1.0	.6- 1.6	1.0	.8 - 1.9	1.3	.9- 1.7	1.3	
	b. All other insurance premiums	.5- 1.1	.8	.6- 1.0	.7	.4 - 1.0	.8	.4- .9	.7	.6 - 1.2	.9	.5- 1.0	.7	
17. 13	Depreciation (total)	.6- 1.5	1.2	.3- 1.7	1.0	.6 - 1.5	1.1	.9- 1.8	1.2	1.1 - 1.9	1.2	.6- 1.4	1.1	
18. 14	Professional services	.3- .8	.5	.3- .9	.5	.1 - .6	.3	.2- .9	.5	.2 - .6	.3	.3- .6	.4	
19. 15	Donations	.1- .3	.2	<.1- .2	.1	<.1 - .2	.1	.1- .3	.1	.1 - .5	.2	.1- .2	.1	
20. 16	Bad Debts	.1- .5	.1	.1- .4	.2	.1 - .5	.2	.1- .7	.4	.1 - .4	.2	.2- .9	.4	
21. 17	Equipment costs	.2- .7	.4	.1- .6	.3	.2 - .5	.3	.3- .9	.5	.3 - .9	.8	.3- 1.3	.5	
22. 20	Real property rentals	1.1- 3.6	2.6	1.7- 4.7	2.7	2.7- 5.8	4.2	3.3- 6.6	4.6	4.0 - 8.1	6.0	4.7- 6.6	5.7	
23.	Total expenses	29.6-40.5	33.6	36.8-43.3	39.9	34.4 -45.6	39.7	39.8-46.8	43.5	43.0 -49.9	45.1	41.5-47.4	46.7	
	NET GAIN (Percent of total net sales, except as noted.)													
24.	Operating profit, including income from leased departments	1.0- 9.3	6.3	.6- 6.6	4.1	(.5)- 7.2	2.8	.2- 5.7	2.4	(.1)- 7.3	4.2	1.6- 3.5	2.0	
25.	a. Interest income	.5- 2.4	.8	.4- 1.4	.7	.3 - 2.2	.8	.2- 1.6	1.0	.6 - 1.7	.9	.3- 1.9	.9	
	b. Net other income	.1- 1.3	.6	.3- 1.1	.4	.1 - 1.3	.3	.1- .6	.3	.2- 2.2	.5	.2- .8	.5	
	c. Interest expenses	1.2- 3.2	2.4	.4- 2.4	1.0	.6 - 1.9	1.1	.6- 2.1	1.5	1.5 - 2.4	1.8	.3- 1.9	.7	
	d. Net other expenses	NA	NA	.2- .6	.4	.2 - 4.8	.7	.1- .7	.3	NA	NA	NA	NA	
26.	Net profit, before Federal income taxes	.2- 8.0	3.6	1.0- 6.1	4.4	(.8)- 9.3	2.5	.4- 4.9	2.3	1.1 - 6.6	3.6	1.5- 4.1	2.5	

1987 GEOGRAPHIC OPERATING EXPERIENCES

Firms in the West showed the most dramatic increase in net sales for 1987, posting a 7.2 percent gain over 1986 sales. The Northeast fell second with a median sales increase of 5.4 percent for 1987 over 1986, following an increase of 8.0 percent in 1986 over 1985. The lowest increase was reported by firms in the Central area where 1987 sales rose a median 1.5 percent over 1986 levels.

Net profits before Federal income taxes increased in all areas except the Southeast where the median experience declined from 3.0 percent of sales in 1986 to 2.4 percent in 1987. The highest regional net profit before taxes, 5.3 percent of sales, was reported in the Southwest, 3.1 percentage points above the 1986 experience.

In 1987, total operating expenses were reduced in every area but the Central states where this figure rose to a median 42.4 percent of sales from 39.4 percent in 1986. Firms in the Southwest and West regions cut expenses by 2.4 percentage points from their 1986 experience. In the Southwest, total operating expenses were a median 44.6 percent of sales; in the West that figure was 40.2 percent of sales.

1987 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Geographic Area	Range of Common Experience	Median
Northeast	3.8-13.9	8.7
Southeast	.6-13.3	3.9
North Central	2.7- 6.2	4.7
Central	1.8- 6.1	2.3
Southwest	NA	NA
West	3.1-18.8	10.1

1987 SALES PER SQUARE FOOT OF SELLING AND TOTAL STORE AREA

(In Dollars)

	Selling Area		Total Area	
Geographic Area	Range of Common Experience	Median	Range of Common Experience	Median
Northeast	$174-405	$267	$145-319	$199
Southeast	$132-307	$203	$ 95-246	$143
North Central	$122-264	$149	$ 87-196	$117
Central	$122-263	$178	$ 80-199	$124
Southwest	$131-283	$209	$ 88-212	$170
West	$115-165	$125	$ 94-120	$108

OPERATING EXPERIENCES BY GEOGRAPHIC (Federal Reserve District) AREA
1987 MERCHANDISING AND PRODUCTIVITY DATA

	NORTHEAST Boston Philadelphia, New York F.R. Dist. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (35 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (34 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (34 Firms)		SOUTHWEST Dallas F.R. Dist. (14 Firms)		WEST San Francisco F.R. Dist. (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(.9)- 12.3	5.4	(2.0)- 11.1	2.9	.1- 8.1	3.0	(2.7)- 6.7	1.5	(11.8)- 19.2	5.3	(1.1)- 14.4	7.2	___%
Sales per square foot of total store area in dollars	$145.0 -319.2	$198.6	$ 95.1 -246.0	$143.3	$86.6-196.2	$117.0	$79.8 -199.4	$124.5	$ 88.1 -211.7	$169.5	$ 93.6 -120.2	$107.9	___
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	4.9 - 11.2	8.6	8.9 - 11.9	9.9	8.6- 10.9	9.5	6.6 - 10.2	8.7	9.0 - 11.1	9.5	8.7 - 12.3	10.1	___
Advertising, percent of net sales excluding leased departments	2.8 - 4.8	3.3	2.3 - 4.0	3.2	2.2- 4.7	3.5	2.8 - 4.9	3.6	1.6 - 4.2	2.5	1.9 - 3.8	3.0	___
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.5 - 2.7	1.8	1.3 - 2.4	1.5	1.5- 2.3	2.0	1.7 - 2.1	1.8	1.6 - 2.4	1.9	1.1 - 2.9	2.0	___
Transportation in charges on goods purchased as a percent of net sales	.4 - 1.1	.8	.6 - 1.1	.8	.4- 1.2	.9	.7 - 1.4	1.1	.6 - 1.4	1.0	.6 - 1.6	1.1	___
Beginning 1987 inventory as a percent of 1986 sales	18.9 - 28.9	21.8	18.1 - 31.5	26.3	15.3- 31.1	22.5	19.7 - 33.2	22.4	11.4 - 29.6	21.0	27.7 - 45.1	29.3	___
Ending 1987 inventory as a percent of 1987 sales	18.1 - 31.8	22.3	18.6 - 33.8	27.0	15.5- 28.8	23.3	19.9 - 36.4	24.8	17.1 - 29.1	21.4	21.9 - 41.5	28.3	___
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	1.0 - 3.6	1.8	1.0 - 3.2	2.3	1.2- 3.2	1.6	.9 - 3.2	2.3	1.3 - 3.1	1.9	1.4 - 2.5	2.1	___
Net alterations cost, percent of men's clothing sales	4.1 - 12.7	8.1	4.3 - 7.5	6.1	3.4- 7.9	4.6	4.7 - 7.7	6.3	5.1 - 9.6	6.7	5.1 - 6.4	5.6	___
Income from alterations, percent of net sales excluding leased departments	.2 - .7	.5	.2 - .7	.3	.2- 1.0	.5	.4 - .8	.6	.2 - 1.2	.6	.3 - .9	.7	___
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	NA	NA	11.3 - 23.8	13.5	16.0- 38.4	26.4	NA	NA	12.4 - 17.1	14.3	NA	NA	___
Cash discounts earned	.6 - 1.4	1.0	.4 - 1.0	.7	.3- .8	.4	.4 - 1.1	.5	.3 - 1.3	.8	.2 - 1.5	.6	___
Net profit on net sales	(.6)- 7.7	3.3	1.0 - 7.4	2.4	1.5- 7.0	4.6	1.2 - 6.1	3.2	(6.8)- 5.3	1.0	(1.2)- 5.3	1.7	___
Net profit on net worth	(1.8)- 31.7	12.3	4.6 - 18.1	11.4	3.4- 20.4	13.2	8.0 - 31.8	18.6	(14.6)- 16.7	5.7	(1.4)- 16.8	4.9	___
Net profit on net working capital	(3.0)- 29.0	9.9	3.3 - 17.1	10.1	4.1- 20.2	12.6	3.6 - 21.7	12.8	(18.8)- 20.0	(2.9)	(1.2)- 12.4	6.9	___

1987 COMPOSITE OPERATING STATEMENT BY GEOGRAPHIC (Federal Reserve District) AREA

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. ("EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dists. (35 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dists. (34 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (34 Firms)		SOUTHWEST Dallas F.R. Dist. (14 Firms)		WEST San Francisco F.R. Dist. (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	18.1-31.8	22.3	18.6-33.8	27.0	15.5-28.8	23.3	19.8-36.4	24.8	17.1-29.1	21.4	21.9-41.5	28.3	___%
2. Total cost of merchandise sold	55.0-62.7	59.0	51.8-58.9	55.8	51.7-58.8	55.7	51.7-58.8	55.5	52.2-61.4	54.4	49.8-60.0	55.0	____
3. Gross margin, excluding leased department income and sales	37.3-45.0	41.0	41.1-48.2	44.2	41.2-48.3	44.3	41.2-48.3	44.5	38.6-47.8	45.7	40.0-50.2	45.0	____
4. Income from leased departments	NA	NA	1.0- 3.8	1.5	.8- 2.3	1.4	NA	NA	.3- 2.1	.9	NA	NA	____
5. Gross margin, including income from leased departments, as a percent of total net sales	37.3-45.2	41.0	41.5-49.0	44.7	42.0-48.3	44.4	41.2-48.3	44.5	38.6-49.2	45.7	40.0-50.2	45.0	____
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	1.7- 3.7	2.7	1.6- 3.2	2.7	1.4- 3.7	1.9	1.9- 4.3	2.9	1.9- 3.6	2.3	1.9- 3.7	3.0	____
b. All other workroom expenses	.2- 1.4	.3	.1- .6	.2	.1- 1.1	.4	.1- .9	.3	.1- .2	.1	.1- .6	.2	____
c. Less: Alteration Income	.2- .7	.5	.2- .7	.3	.2- 1.0	.5	.4- .8	.6	.2- 1.2	.6	.3- .9	.7	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.0- 3.6	1.8	1.0- 3.2	2.3	1.2- 3.2	1.6	.9- 3.2	2.3	1.3- 3.1	1.9	1.4- 2.5	2.1	____
7. 01 Payroll (total)	7.7-23.6	16.8	15.3-25.7	18.6	14.6-24.0	19.0	11.8-24.3	18.9	16.4-25.6	22.0	14.7-24.7	18.0	____
a. Payroll of owners and officers	2.2- 6.1	5.0	4.6- 8.3	5.9	4.4- 7.3	6.5	2.8- 9.5	7.2	4.1- 7.8	6.6	4.3- 8.8	5.6	____
b. Selling payroll (includes commissions & "spiffs")	4.9-11.2	8.6	8.9-11.9	9.9	8.6-10.9	9.5	6.6-10.2	8.7	9.0-11.1	9.5	8.7-12.3	10.1	____
c. Non-selling payroll (excludes workroom & advertising payroll)	.6- 6.3	3.2	2.0- 5.6	2.8	1.6- 5.8	3.0	2.4- 4.6	3.0	3.4- 6.7	5.0	1.7- 3.6	2.3	____
8. 03 Advertising	2.8- 4.8	3.3	2.3- 4.0	3.2	2.2- 4.7	3.5	2.8- 4.9	3.6	1.6- 4.2	2.5	1.9- 3.8	3.0	____
9. 04 Taxes (total)	1.1- 2.6	1.6	1.8- 2.4	2.2	1.3- 2.3	1.8	1.6- 2.2	1.9	1.9- 2.4	2.2	1 6- 2.7	2.0	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .8	.4	.3- .6	.5	.2- .9	.5	.2- .7	.5	.3- .6	.5	.1- .7	.4	____
b. Social security and unemploy-													

10. 06	Supplies	1.3- 4.2	2.1	1.8- 3.4	2.6	1.6- 4.0	2.5	1.3- 3.7	2.5	1.8- 4.6	2.9	1.8- 4.4	2.7	____
	a. Wrapping and packing supplies	.5- 1.3	.8	.7- 1.2	1.0	.5- 1.3	.8	.4- 1.3	.8	.4- .8	1.4	6- 1.6	1.0	____
	b. Other supplies (cleaning, stationery)	.2- 1.2	.5	.3- .8	.5	.2- .9	.5	.2- .8	.6	.5- 1.2	.8	.3- 1.0	.5	____
	c. Utilities (heat, light, water, sewer, etc.)	.5- 1.7	.8	.9- 1.4	1.1	.9- 1.7	1.3	.7- 1.5	1.1	.9- 1.9	1.3	.9- 1.8	1.2	____
11. 07	Services Purchased (Total)	.9- 3.2	2.1	.6- 2.7	2.8	.5- 2.0	1.9	.9- 3.7	2.3	.5- 3.3	1.2	.8- 2.2	1.5	
	a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	.2- 1.4	.9	NA	NA	NA	NA	____
	b. Data processing/service bureau charges	.3- 1.0	.5	.2- 1.1	.4	.1- .5	.3	.1- .7	.4	.3- 1.2	.2	.2- 1.1	.5	____
	c. Credit card service fees	.5- 1.0	.8	.3- 1.0	.6	.3- .7	.5	.4- .8	.5	.3- 1.0	.6	.4- 1.2	.8	____
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.1- .8	.4	.1- .7	.3	.1- .8	.3	.2- .7	.5	.3- 1.1	.4	.1- 1.0	.3	____
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- 1.1	.6	.3- 1.2	.5	.1- 1.2	.5	.3- 1.4	.7	.3- 1.2	.5	.4- 1.7	1.0	____
13. 09	Traveling	.3- 1.0	.6	.4- .8	.6	.3- .9	.5	.3- 1.3	.6	.4- 1.2	.7	.4- 1.5	.8	____
14. 10	Communications	.3- .8	.5	.4- .9	.7	.4- .7	.5	.5- .9	.7	.5- 1.2	.6	.4- .8	.6	____
15. 11	Pensions	.4- 2.6	1.2	.4- 1.5	.6	.2- 2.4	.9	.2- .8	.6	.2- 6.0	1.3	NA	NA	____
16. 12	Insurance (total)	.9- 2.6	1.5	1.4- 3.0	2.1	1.0- 2.5	1.1	1.4- 2.5	1.9	1.4- 2.5	1.9	1.0- 2.6	2.0	____
	a. Workmen's compensation-insurance; sickness, accident, group medical, group hospital and life insurance premiums	.5- 1.7	.7	.9- 1.9	1.3	.6- 1.6	1.1	.9- 1.6	1.2	.9- 1.4	1.1	.5- 1.6	1.3	____
	b. All other insurance premiums	.4- 1.0	.8	.5- 1.1	.8	.4- .9	.6	.5- .9	.7	.5- 1.1	.8	.5- 1.0	.8	____
17. 13	Depreciation (total)	.5- 1.4	.9	.8- 1.7	1.3	.4- 1.6	1.0	.7- 1.6	1.2	1.3- 1.9	1.7	.4- 1.5	1.1	____
18. 14	Professional services	.2- .7	.4	.3- .6	.4	.2- .6	.3	.2- 1.1	.4	.2- .9	.6	.3- 1.1	.9	____
19. 15	Donations	.1- .3	.1	.1- .3	.1	.1- .2	.1	.1- .3	.2	<.1- .2	.1	<.1- .2	.1	____
20. 16	Bad Debts	.1- .5	.2	.2- .8	.4	<.1- .4	.1	.1- .4	.2	.1- 1.0	.7	.1- .5	.2	____
21. 17	Equipment costs	.2- .4	.4	.3- .8	.4	.2- .7	.3	.2- .6	.3	.3- 1.4	.7	.3- 1.3	.7	____
22. 20	Real property rentals	1.9- 5.0	3.4	1.4- 5.3	3.4	2.2- 5.6	4.2	3.0- 5.9	4.3	3.1- 7.0	6.0	3.0- 7.9	5.1	____
23.	Total expenses	33.8-42.3	38.8	36.4-46.7	42.4	35.2-45.5	40.1	35.9-46.7	42.4	40.0-46.8	44.6	35.2-48.4	40.2	____
	NET GAIN (Percent of total net sales, except as noted.)													
24.	Operating profit, including income from leased departments	(.7)- 7.2	3.2	.3- 5.7	2.6	1.6- 6.5	3.2	1.0- 6.9	4.3	(8.9)- 4.1	.3	(1.4)- 6.3	2.0	____
25.	a. Interest income	.1- 1.0	.4	.6- 2.2	1.5	.5- 1.5	.8	.4- 1.4	.8	.4- 2.0	1.1	.3- 1.4	.7	____
	b. Net other income	.1- 1.1	.6	.3- .6	.4	.3- 1.1	.6	.1- .9	.3	.1- 1.0	.2	.1- 2.5	2	____
	c. Interest expenses	.5- 2.0	1.0	.6- 2.5	1.5	.5- 2.2	1.0	.7- 2.4	1.7	.3- 2.7	.8	.8- 2.3	1.5	____
	d. Net other expenses	NA	NA	.1- .9	.4	.3- 1.1	.4	.1- .5	.2	.1- .7	.3	NA	NA	____
26.	Net profit, before Federal income taxes	(.7)- 7.7	3.3	1.0- 7.4	2.4	1.5- 7.0	4.6	1.2- 6.1	3.2	1.0-12.7	5.3	(1.2)- 5.3	1.7	____

MERCHANDISING INFORMATION BY GEOGRAPHIC AREA

1987 DISTRIBUTION OF SALES BY MAJOR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING SALES	MEN'S SPORTSWEAR SALES	MEN'S FURNISHINGS SALES
NORTHEAST			
Range	19.1-44.1	14.7-30.9	11.0-18.5
Median	27.6	18.1	14.1
SOUTHEAST			
Range	29.1-53.8	10.4-23.1	14.3-21.3
Median	45.0	14.2	19.0
NORTH CENTRAL			
Range	29.7-50.4	21.1-34.7	13.6-22.5
Median	42.8	25.1	18.0
CENTRAL			
Range	25.0-54.8	10.9-26.7	14.0-22.8
Median	50.2	17.7	19.7
SOUTHWEST			
Range	25.4-42.9	15.0-32.2	16.0-21.4
Median	29.9	23.4	18.6
WEST			
Range	36.0-44.1	25.2-35.6	17.0-31.5
Median	38.8	32.1	18.5

1987 MARKDOWNS AS A PERCENTAGE OF TOTAL MARKDOWNS FOR THE THREE MAJOR MEN'S WEAR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING MARKDOWNS	MEN'S SPORTSWEAR MARKDOWNS	MEN'S FURNISHINGS MARKDOWNS
NORTHEAST			
Range	14.6-46.4	10.3-35.4	5.0-14.9
Median	16.3	17.0	5.2
SOUTHEAST			
Range	31.8-59.4	12.7-21.6	8.9-12.3
Median	46.7	17.8	10.2
NORTH CENTRAL			
Range	24.8-53.2	20.2-35.9	6.1-11.8
Median	32.6	27.1	8.2
CENTRAL			
Range	36.8-57.9	12.7-28.2	5.4-14.9
Median	54.8	15.3	11.7
SOUTHWEST			
Range	20.4-53.2	12.6-20.5	5.3-16.4
Median	37.5	17.1	8.4
WEST			
Range	31.1-37.4	25.6-45.9	6.6-14.9
Median	33.4	36.3	10.4

Geographic Areas by Federal Reserve Districts

Map Explanation:

Area designations are based on combinations of Federal Reserve Districts.

Key

Area	Federal Reserve District
Northeast	Boston, Philadelphia, New York
Southeast	Richmond, Atlanta
Central	St. Louis, Minneapolis, Kansas City
North Central	Cleveland, Chicago
Southwest	Dallas
West	San Francisco

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Catch the excitement...Order your copy today!

1989, 1990, and 1991 4-5-4 RETAIL CALENDAR

1989

February

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

March

26	27	28	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

April

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

May

S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

June

28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

July

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

August

S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26

September

27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

November

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

December

26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

January 1990

31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

1990

February

S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24

March

25	26	27	28	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

May

S	M	T	W	T	F	S
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26

June

27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

August

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

September

26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

October

30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

November

S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24

December

25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

January 1991

30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

1991

February

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

March

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

April

7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

May

S	M	T	W	T	F	S
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

June

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

July

7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3

August

S	M	T	W	T	F	S
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

October

6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

November

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

January 1992

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

MENSWEAR RETAILERS OF AMERICA

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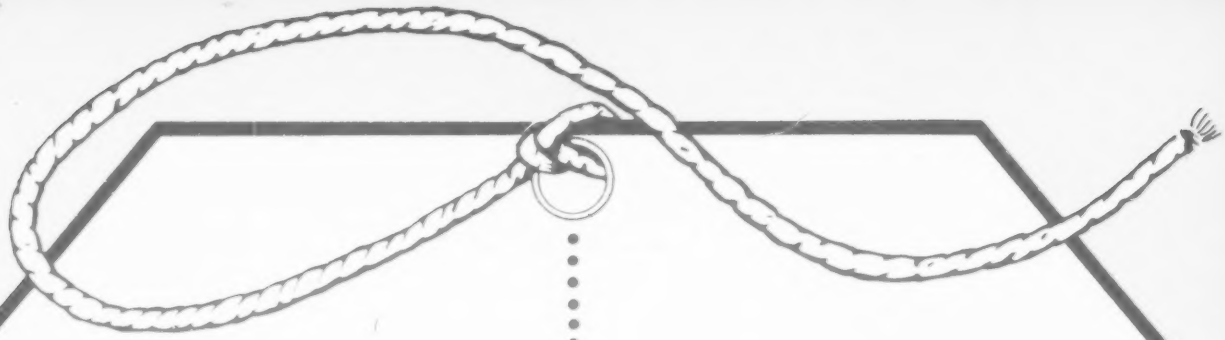

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- Size Dividers and Shelf Markers
- Receiving Forms
- Inventory Control
- Charge Back Forms
- Maintenance Supplies
- Mark Up/Mark Down Forms
- Employee Applications
- Hat and Shoe Supplies
- Salesbooks
- Alteration Supplies
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